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MONTEREY, CALIFORNIA

THESIS

MOLDOVA QUO VADIS: NEUTRALITY AND EUROPEAN INTEGRATION? PROBLEMS OF POLICY

by

Igor Talcan

March 2008

Thesis Co-Advisors: Jeffrey Knopf
Donald Abenheim

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13. ABSTRACT (maximum 200 words)

When the Republic of Moldova gained independence after the dissolution of the USSR, the new country adopted a position of neutrality in world politics. Since then, Moldova's leaders have become interested in joining the European Union (EU), but there is internal debate about how best to gain admission to this important European institution. Some political leaders state that Moldova could achieve EU membership while maintaining its neutral strategic status. Other politicians, however, call for abolishing neutrality, and advocate Moldova's EU integration through NATO membership.

While states which chose a status of permanent neutrality were traditionally seen as entirely aside from multinational institutional security processes, the post-Cold War EU enlargement process experienced admission of permanent neutral countries such as Austria. Additionally, over the years, the EU also accepted states that had been previously granted NATO membership, such as Latvia.

This study analyses Austria's neutral and Latvia's aligned EU integration processes and tests them against Moldova's realities in order to see how Moldova can integrate into the EU in the fastest time and at the least possible cost. The thesis concludes that though the Moldovan status of permanent neutrality seems fairly irrelevant, this strategy should be maintained for the time being in order to reduce anticipated Russian objections, and thus facilitate the Republic of Moldova integration process into the European Union.

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MOLDOVA QUO VADIS: NEUTRALITY AND EUROPEAN INTEGRATION? PROBLEMS OF POLICY

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ABSTRACT

When the Republic of Moldova gained independence after the dissolution of the USSR, the new country adopted a position of neutrality in world politics. Since then, Moldova's leaders have become interested in joining the European Union (EU), but there is internal debate about how best to gain admission to this important European institution. Some political leaders state that Moldova could achieve EU membership while maintaining its neutral strategic status. Other politicians, however, call for abolishing neutrality, and advocate Moldova's EU integration through NATO membership.

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TABLE OF CONTENTS

I. INTRODUCTION....1
- **A. PURPOSE....1**
- **B. IMPORTANCE....1**
- **C. THE GENERAL CONTEXT....3**
  - **1. Literature on Neutrality....3**
  - **2. Neutrality, Alignment and the European Union....4**
  - **3. The Republic of Moldova....5**
- **D. METHODOLOGY....5**

II. NEUTRALITY AS A NATIONAL SECURITY STRATEGY: ORIGINS, CONDITIONS, AND REALITIES....9
- **A. INTRODUCTION....9**
- **B. NATIONAL SECURITY AND STRATEGIES FOR ITS ACHIEVEMENT....10**
  - **1. The Concept of National Security and the Balance of Power....10**
  - **2. Neutrality as a National Security Strategy....14**
    - ***a. Neutrality: Definitions and Principles....14***
    - ***b. Neutrality: Choice and Protection....18***
- **C. THE REPUBLIC OF MOLDOVA'S STATUS OF NEUTRALITY AND ITS IMPACT ON THE COUNTRY'S NATIONAL SECURITY...23**
  - **1. Moldovan Neutrality and its Legacy....23**
  - **2. Incentives for Moldovan Neutrality....24**
  - **3. Moldova's Political Elites' Approach to the State's Neutrality....26**
  - **4. Neutrality versus Real Processes: Mismatching and its Impact on the Country's National Security....28**
- **D. CONCLUSION....31**

III. EUROPEAN UNION SECURITY: COMPATIBILITY OF NEUTRALITY AND ALIGNMENT IN TODAY'S EUROPEAN SECURITY FRAMEWORK....35
- **A. THE EUROPEAN UNION'S COMPREHENSIVE SECURITY....35**
  - **1. Introduction....35**
  - **2. Background: The Roots of the EU's Comprehensive Security Policies....36**
  - **3. European Security Strategy: A Comprehensive Security Basis for the European Union....37**
  - **4. European Security and Defense Policy's Military Dimension....39**
- **B. THE EU AND THE QUESTION OF NEUTRALITY: AUSTRIA....41**
  - **1. General Historical Background....42**
  - **2. The End of the Cold War and a New Political Approach to Neutrality....44**
  - **3. Austrian's Neo-neutrality: Compatibility with European Security Policies....46**

4. Austrian Military Contribution to the EU....48
C. EU INTEGRATION OF ALIGNED STATES: LATVIA....51
1. Latvia at a Crossroads: The End of the Cold War and the First Steps toward Europe....52
2. The Road to NATO: The Political Dimension....52
3. The Road to NATO: The Military Dimension....55
4. Latvia's Benefits from NATO Membership toward European Union Integration....58
D. CONCLUSION....61
IV. THE KEY ACTORS INFLUENCING THE REPUBLIC OF MOLDOVA'S EU INTEGRATION PROCESS: REALITIES AND OPTIONS....63
A. INTRODUCTION....63
B. RUSSIA'S POLICY TOWARD MOLDOVA AND ITS IMPACT ON THE MOLDOVAN EUROPEAN UNION INTEGRATION PROCESS....64
1. Russia and Moldova: The General Context....64
2. Russia and Moldova's Transnistrian Conflict....65
3. Russia's View on Moldova's Permanent Neutrality....68
a. The Transnistrian "Tool" for Ensuring Moldovan Neutrality....70
b. Economic Dependence as a Tool for Ensuring Moldova's Neutrality....72
C. THE EUROPEAN UNION'S VISION VS. MOLDOVA'S INTEGRATION INTENTIONS....76
1. Moldova and the European Union: Historical Background....76
2. The European Union's Neighborhood Policy: Effects in Moldova....79
a. ENP Benefits: The Political Dimension....81
b. ENP Benefits: The Economic and Social Dimensions....82
D. CONCLUSION....85
V. NEUTRALITY OR ALIGNMENT: COMPARING CASE STUDIES....87
A. INTRODUCTION....87
B. THE EU INTEGRATION PROCESSES: REVIEWS....87
1. Neutral Integration: Austria's Strengths and Weaknesses before Its EU Accession....87
2. Aligned Integration: Latvia's Strengths and Weaknesses before Its Accession to the EU....90
C. NEUTRAL OR ALIGNED EU INTEGRATION: TESTING MOLDOVA'S REALITIES AGAINST THE TWO CASE STUDIES....94
1. General Comparison....94
2. A Neutral Integration?....97
3. An Aligned Integration?....99
D. CONCLUSION....101
VI. CONCLUSIONS AND RECOMMENDATIONS....103

A. CONCLUSIONS 103
1. Classical Concept of Permanent Neutrality 104
2. Austria's Neo-Neutrality and the EU's Security Framework 105
3. Latvia's Aligned Strategy and Its Role in the EU Integration Process 105
4. Moldova's EU Integration Process vis-à-vis the Main Regional Actors 106
5. Moldova's Realities 108
B. RECOMMENDATIONS 111
LIST OF REFERENCES 115
INITIAL DISTRIBUTION LIST 125

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DEDICATION

To my mother

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I. INTRODUCTION

A. PURPOSE

This thesis investigates whether the Republic of Moldova can achieve its desire to join the European Union (EU) and still maintain a status of neutrality. The basic objective of the present study is to determine whether, in today's world, EU membership is compatible with neutrality - a question germane not only to Moldova but to some other European nations as well. Given the EU's European Security and Defense Policy and its association with NATO – twenty-one of the twenty-seven EU countries are also NATO members – it is unclear whether Moldova would be able to maintain both its neutral status and EU membership.

Thus, the central question to be answered is: Will Moldova's status of neutrality benefit, have no influence on, or jeopardize its efforts to join the EU? Also, the study will analyze what benefits or hardships may this neutrality pose to Moldova it its pro-EU endeavor and whether Moldova can afford seeking EU membership with a neutrality clause.

B. IMPORTANCE

The Republic of Moldova has been a neutral country since 1994. As stipulated in the Constitution, Moldova cannot be involved in military conflicts outside its borders, join military alliances of any kind, permit foreign military troops on Moldovan soil, or allow its territory to be used by other countries for military operations against another state.[1]

In addition, the Republic of Moldova has positioned itself against violence, has declared that it has no enemies, and observes a purely defensive military strategy. Nonetheless, though without the Moldovan government's consent, the Russian Federation has had a military force on the Republic's territory for nearly seventeen years, in blatant violation of Moldova's neutral status. Furthermore, Russia has been in no hurry

[1] Republic of Moldova Parliament, "Republic of Moldova Constitution," Art.11, (29 July 1994), http://confinder.richmond.edu/admin/docs/moldova3.pdf (accessed 15 August 2007).

to practically recognize Moldova's neutrality and withdraw its troops, a presence that directly undermines the country's national security. Moldova's central government has also lost control of Transnistria,[2] an area in the eastern part of the country that not only seeks secession but also maintains its own military force, supported by the Russian troops in the region.[3]

In 2003, after twelve years of uncertainty whether to choose the West or the East, the Moldovan government announced that the country wanted to join the European Union. At the same time, however, Moldova seeks to maintain its neutral values and its ties with NATO through the Partnership for Peace (PfP) program. Thus, in 2006, it signed an Individual Partnership Action Plan (IPAP) with the North-Atlantic Alliance. Some critics view this course of action – Moldova's retention of tight relations with NATO while being illegally occupied by a contingent of Russian troops – as a position of neither de facto neutrality nor national security.

One result of this so-called "Moldovan security dilemma" is that the local political forces are divided into two camps in a national debate. One side, the center-left-wing parties, insists that a status of neutrality serves the country's security interests by showing the international community that Moldova has peaceful intentions. And that, it claims, enables the state to allocate more funds for social and other important needs than for expensive defense measures. Neutrality, they argue, will ultimately make Russia withdraw its troops and, consequently, solve the Transnistrian problem, thereby preparing the way for Moldova's smooth integration into the EU. In sum, this side claims, the neutrality policy must be maintained.

The other side, the right-wing political parties, believes that Moldova's neutral status works against its national security interests by making the country unable to defend itself in the Machtpolitik world. Citing the presence of Russian troops in Moldova as evidence, the right-wingers argue that, because neutrality is not observed by the stronger

---

[2] Other names for the territory of Transnistria that occur in contemporary literature are Transdnestira, Pridnestrovie, and Pridnestrovskoe Moldsvskaya Respublika (PMR). This thesis uses Transnistria, the name used in the political system of Moldova.

[3] Janusz Bugajski, *Cold Peace: Russia's New Imperialism* (Westport, Connecticut/ London: Praeger Publishers, 2004), 100.

international actors (Russia), Moldova's neutral position distances the country from attaining security through alignment with other European countries in military coalitions. And that resulting insecurity, they further argue, jeopardizes Moldova's integration into the EU. This argument is based on the right-wing parties' belief that the EU is primarily a security-based community that does not need or want to include insecure or weak states. Thus they opt in favor of refuting neutrality and joining NATO, a step that would strengthen Moldovan security and eventually make the country more attractive and acceptable to the EU.

The importance of this thesis lies in its efforts to identify scholarly theories that view neutrality as a security strategy, to test the theories against empirical data, and to ultimately determine which of the two sides in the Moldovan political debate is most realistic. The thesis concludes with recommendations about the choices that Moldovan politicians must make to further the country's acceptance into the EU in the shortest time and at the lowest possible price possible.

C. THE GENERAL CONTEXT

1. Literature on Neutrality

Within the field of international relations, neutrality as a security strategy is approached and described in a number of different ways. The major schools of thought maintain opposing approaches to the advantages and disadvantages of a neutrality posture, dividing scholars into neutrality realists and neutrality idealists.

Neutrality realists see the world as a 'jungle'[4] in which every state has always to prepare for war and balance power against enemies, usually through joining convenient alliances. Realists characterize neutral countries as "dependent variables" (DV) that are trying to respond to external threats and pressures that they can neither influence nor control individually. Therefore, the realists view neutrality as a necessity for survival rather than a virtue.

[4] Michael W. Doyle, *Ways of War and Peace: Realism. Liberalism, and Socialism* (New York/London: W.W. Norton & Company, 1997), 18.

In contrast, neutrality idealists see neutral actors as "independent variables" (IV) able to influence the international system. They believe that by being neutral these countries have the power to have a strong voice in international politics. Thus, they perceive neutrality as a tool for accomplishing valuable goals.[5]

Historically, there have been a number of European countries that have endorsed a status of neutrality. Some of them, for example, Sweden,[6] view neutrality as much more than a security strategy, as a way of thinking, a part of their national identity and way of life. For others, such as Austria, neutrality served as a necessity for maintaining their sovereignty and independence, protecting them from the Great Powers and enabling them to act independently in international politics.[7]

2. Neutrality, Alignment and the European Union

The European Union is a community of states that share similar democratic values, common markets, legal aspirations, and common security. In order to exercise security requirements the European Union relies on its second pillar through Common Foreign and Security Policy (CFSP) and European Security and Defense Policy (ESDP). Some Eastern-European countries such as Latvia used their alignment status and became part of the European family by fully committing to the European political and military policies and joining the EU and NATO at the same time.

Since ESDP indeed includes a military dimension, one may suppose that the EU looks like a military alliance; thereby, undermining the principle of neutrality. However, some neutral European states such as Austria were welcomed into the EU, and did not need as radical a transformation of statecraft in order to obtain EU membership.

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[5] Joseph Kruzel and Michael H. Haltzel present a basic comparison of the two schools of thought in their book, *Between the Blocs: Problems and Prospects foe Europe's Neutral and Nonaligned States* (Cambridge: Cambridge University Press, 1989).

[6] Mikael af Malmborg, *Neutrality and State: Building in Sweden* (New York: Palgrave Publishers, 2001).

[7] Efraim Karsh, *Neutrality and Small States* (London / New York: Routledge, 1988).

It will be thus interesting to analyze why some nations fully commit to the rigors of EU foreign and defense policy in order to obtain the same results that other get by partial commitment of same.

3. The Republic of Moldova

As was noted earlier, Moldova had inherited Russian troops on its territory from its Soviet time and wished to get rid of them. And, apparently, Moldova's political elites embraced the status of neutrality in 1994 as a means to gain the support of the international community in making Russia withdraw its military. The tactic, however, does not seem to work.[8]

As will be shown here, the Republic of Moldova still has various incentives for maintaining a neutral security strategy. But it is time for its political leaders to reassess the threats and challenges the country faces, identify the benefits and disadvantages of neutrality in contemporary Europe, and calculate the price to be paid for either abolishing its status of neutrality, maintaining it, or adopting a third way. In any case, Moldova must identify a feasible strategy that is adaptable in keeping with the European Union's common system of values.

D. METHODOLOGY

The thesis methodology will involve the use of case-study research to test existing theories on neutrality against empirical data and objectively determine an appropriate policy path for the Republic of Moldova. It consists of five chapters.

Chapter I introduces the general content of the thesis and the way the research will be illustrated.

[8] "Protecting the interests of ethnic Russians or 'Russian-speakers' was one of the chief justifications offered by Moscow for its involvement in the 1992 Transnistria war and remains a favorite argument among those who support a continued Russian military presence." See: Janusz Bugajski, *Cold Peace: Russia's New Imperialism* (Westport, Conn./ London: Praeger Publishers, 2004); Charles King, "Eurasia Letter: Moldova with a Russian Face," *Foreign Policy* 97 (Winter 1994-1995); Allen C. Lynch, "The Realism of Russia's Foreign Policy," *Europe-Asia Studies* 53, no. 1 (2001); Stuart J. Kaufman, "Spiraling to Ethnic War: Elites, Masses, and Moscow in Moldova's Civil War," *International Security* 21, no. 2, (1996).

Chapter II will focus on traditional concept of neutrality in order to examine and determine its principles and requirements. The author will use the alliance-formation principle to test the permanent neutrality policies of certain European states. It will also illustrate the positive and negative aspects of neutrality as a security strategy. The chapter will also analyze the Republic of Moldova's status of permanent neutrality, testing it against the traditional concept of permanent neutrality. We will investigate the relevance of Moldova's neutrality to its national security, given the state's initial incentives for choosing the very status, its geographic, economic and military capabilities, as well as the foreign influence.

Chapter III will analyze how the EU can accommodate aligned and neutral states at the same time. It will try to identify whether security strategies of candidate states influence their EU integration process. For this intent, we will use the case of Austria's EU integration process trying to understand how it could join an organization based on reciprocity, while maintaining a neutral clause. We chose Austria as a case study because it endorsed a status of neutrality in 1955 as a tool for survival between the Western and Eastern blocs during the Cold War. By doing so Austria compelled the great powers to withdraw from its territory unlike the case of the FRG and GDR.[9] Thus, one might well argue that the case of the Austrian state treaty in 1955 was very similar to the current situation of the Republic of Moldova where Moscow is again involved in its traditional way. Additionally the chapter will see how Latvia as an aligned state integrated into the EU and whether its status of alignment helped or made no difference within the integration process. Latvia was chosen as a non-neutral case study state because it has a size similar to that of Moldova's and a smaller population. Additionally, Latvia, like

[9] See Josef L. Kunz, "Austria's Permanent Neutrality," *American Journal of International Law* 50, no. 2 (1956): 418-425; Michal Koran, "Austrian Neutrality: Burden of History in the Making or Moral Good Rediscovered?" *Perspectives,* no. 26 (Summer 2006): 23; Josef Binter, "Neutrality, European Community and World Peace: The Case of Austria," *Journal of Peace Research* 26, no. 4 (1989): 413-418.

Moldova, was under Russian control during the Soviet Union era and inherited a large Russian-speaking minority and other numerous Soviet "values" that could jeopardize its "Westernization."[10]

Chapter IV will analyze the European Union's and Russia's views toward Moldova's desire to integrate into the EU while maintaining its neutral status. Because the two actors are the main powers that may influence the integration process, the chapter will have separate sections that refer to them individually. Then, the chapter will take into consideration the lessons that Austria and Latvia experienced during their EU integration process.

Chapter V will test the resulting data from the Austrian and Latvian EU integration process against the actual situation in Moldova. This process will allow us to estimate what price the country would pay for adopting either of the two courses of action that are advocated by the two sides in the country's internal debate: Moldova's integration into the EU while maintaining permanent neutrality, or abolishment of Moldova's neutral status and its integration as an aligned state.

Chapter VI will summarize the advantages and disadvantages of each course of action, and will make recommendations about future strategies that Moldovan political elites could use to integrate the country into the EU in the shortest possible amount of time and at the lowest price.

[10] See Fred Weir, "Baltics Step from Russia's Shadow into Western Club," *The Christian Science Monitor*, (20 November 2002): 1; Kim Murphy, "Russians Again Foreigners in Latvia: As the Baltic State Begins its Integration With the West, Resentment of the Past Empire Surfaces to Close Many Doors to Longtime Residents," *Los Angeles Times*, Home Edition (1 May 2004): 3.

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II. NEUTRALITY AS A NATIONAL SECURITY STRATEGY: ORIGINS, CONDITIONS, AND REALITIES

A. INTRODUCTION

When nation states emerged as main the actors in the international system and the concept of war was still relevant - the notion of national security became extremely important. Ever since, states have used a variety of strategies in order to ensure their national security, mainly according to the balance of power theory.

This chapter does not address the notion of national security itself, as each nation state understands and interprets it intuitively and individually. Nor does the chapter analyze the relevance of balance of power. Rather, it will focus on one specific security strategy, that of neutrality, in order to examine and determine its effectiveness. The chapter will use the alliance-formation principle to test the permanent neutrality policies of certain European states. It will also illustrate the positive and negative aspects of neutrality as a security strategy.

In the first part of the chapter, the author will conduct his analysis at the system level, looking at the reasons that states choose neutrality, the ways that they formulate their national security strategies, the measures they must take to maintain an effective neutral status, and the ways that the international system may influence the neutral security strategy. In the analysis process, the dependent variable will be "effective neutrality." Independent and intervening variables will also be analyzed.

The second part of the chapter will analyze the Republic of Moldova's status of permanent neutrality, testing it against the traditional concept of permanent neutrality, as well as against the examples of other neutral states. We will investigate the relevance of Moldova's neutrality to its national security, given the state's initial incentives for choosing neutrality, its geographic, economic, and military capabilities, and foreign influence. Testing will be conducted from the perspective of Moldova's reality against

the general principles of traditional neutrality and empirical cases revealed by our thesis research. This analysis arrives at a set of general conclusions and a separate conclusion specific to the Republic of Moldova's neutral status.

B. NATIONAL SECURITY AND STRATEGIES FOR ITS ACHIEVEMENT

1. The Concept of National Security and the Balance of Power

Historically, the antecedents to the 20th century "national security" dates back at least as far back as 1648 when the Treaty of Westphalia generated a new concept of sovereign dynastic states as primary actors within the European international system. Hobbes was the first to use the term in reference to the basic concept of security that coincided with the origination of definitive "states." The security of the state within the dynastic system of the European great powers gave new energy to ideas from the renaissance about the modern state within the system of powers. Hobbes, along with Machiavelli, provided the basics of classical realism. According to Hobbes, the international system, whereby states exist in a permanent struggle against one another for survival and nationals refer to their sovereign for protection against foreign threats, is anarchic.[11] Subsequent realists, debating against the supporters of Kantian and Grotian security paradigms, brought to the fore the importance of power in states' struggles for survival.[12] Thereafter, a vast number of scholars have debated these concepts, bringing different empirical data into the discussion in an effort to falsify the realist approach. the history of European wars since the seventeenth century greatly supports Hobbes's national security paradigm.

European dynastic states engaged in wars primarily in order to survive. While some began wars of expansion, to maximize their power, being driven by greed and dynastic ambitions,[13] others were dragged into those fights in self-defense, to preserve

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[11] See Thomas Hobbes, *Leviathan, or the Matter, Forme and Power of a Commonwealth, Ecclesiasticall and Civil,* ed. Michael Oakeshott (Oxford: Oxford University Press, 1961/1957).

[12] Hans J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace*, ed. Kenneth W. Thompson (USA: McGraw-Hill Inc., 1993), 10-11.

[13] Stephen D. Krasner, ed., *International Regimes* (Ithaca/London: Cornell University Press, 1983), 11.

their sovereignty and independence and protect their nationals. Even today, a good number of researchers who are focused on national security often use the Hobbesian paradigm to show that it is national security, not international security or global governance, which is the core interest of nation states.[14]

The realist approach to national security was later transformed by the neo-realist paradigm, which replaces an earlier emphasis on the strategy of maximizing power with the notion that nation states seek security.[15] In his research, the founder of neo-realism, Kenneth N. Waltz, agrees with the classical realists that the international system is anarchic and that it is the states that play the primary role. Waltz argues that the system integrates nation states (units) into a "self-help" interaction in which they are concerned primarily with their survival, and it is this concern that regulates the states' behavior. The final end that units seek in the system is security, and enhancing power in order to achieve greater capabilities, in Waltz's opinion, may, but not necessarily, serve this end. He claims that the primary goal of nation states is *not* maximizing power, but rather maintaining and/or improving their position in the international system.[16]

Since Waltz "puts" the anarchy of the international system vis-à-vis the nation states' pursuit of ultimate security, he concludes that, "In an unorganized realm each unit's incentive is to put itself in a position to be able to take care of itself since no one else can be counted on to do so."[17] Therefore, since states value their security above all else, they will do anything possible to maintain it. National security researchers have argued for a long time about what this value means, or should mean for all states. However, the empirical evidence shows that sometimes states cite national security as a reason for attacking others (e.g., the U.S. invasion of Iraq), others see national security as the need to defend themselves from aggression (as many European countries did against Nazi Germany in World War II), while still others cite national security as a reason to

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[14] Helga Haftendorn, "The Security Puzzle: Theory-Building and Discipline-Building in International Security," *International Studies Quarterly* 35, no. 1 (1991): 15.

[15] Robert Jervis, "Security Regimes," *International Organization* 36, no. 2 (1982): 359.

[16] See Kenneth N. Waltz, "Anarchic Orders and Balances of Power," in *Neorealism and its Critics*, ed. Robert O. Keohane (New York: Columbia University Press, 1986).

[17] Waltz, 103.

engage in ongoing wars even though they have not been attacked directly (e.g., Great Britain in World War II). Apparently, therefore, the value of national security and the means to maintain it vary from country to country and from one historical case to another.[18] In addition, a number of different measurements of values are incorporated in individual states' concepts of national security.

Nonetheless, most scholars agree that the traditional concept of national security undoubtedly includes the protection of a state's political sovereignty and independence and its territorial integrity.[19] To protect those values, nation states rely heavily on military power, combined with various other adopted means and strategies, as one of the most important tools for defending their national security against a variety of threats.[20] As Waltz puts it, "Because some states may at any time use force, all states must be prepared to do so – or live at the mercy of their militarily more vigorous neighbors."[21] However, states differ considerably in terms of their capabilities, including their military strength, and some states may be unable to defend themselves against a potential threat. Therefore, in an anarchical international system, states balance power against stronger potential opponents.[22]

The balance-of-power theory addresses the way that states get together to withstand a greater threat. This theory, as researched by Steven M. Walt, depends on alliance-formation principles to explain the way some states combine their multiple resources in an effort to prevent or defend themselves against other more powerful states or coalitions that might pose a threat.[23] Walt, who analyzed the work of other important

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[18] David A. Baldwin, "The Concept of Security," *Review of International Studies* 23 (1997): 19.

[19] Baldwin, 13.

[20] Robert Gilpin, *War and Change in World Politics* (Cambridge / New York: Cambridge University Press, 1981), 29.

[21] Waltz, 98.

[22] Robert Jervis, "Cooperation under the Security Dilemma," *World Politics* 30, no. 2 (1978): 172.

[23] Stephen M. Walt, "Alliance Formation and the Balance of World Power," *International Security* 9, no. 4 (1985): 5.

scholars in the field, including K. Waltz, K. Oye, and G. Snyder, describes two primary strategies – "balancing behavior" and "bandwagoning"[24] – that states use when joining an alliance.

A state practicing a balancing behavior strategy will tend to align with other weak states to form a greater force against a more powerful eventual threat. A state's decision to align with other weak states suggests that, in such an alliance, all involved parties, besides increasing their common power, avoid the risk of being influenced by the other partners because their individual power is relatively equal.[25] Balancing is beneficial because it does not necessarily rest (although it may) on friendship, but on the common threat. Thus, all the involved parties must cooperate and oppose the problem out of their own self-interest.[26]

In contrast, the bandwagoning strategy, when practiced, means aligning with the threatening actor to avoid being attacked and tends to switch the possibility of becoming a victim with that of being an ally. Another reason to bandwagon, even when a state is not being threatened, might be to join the more powerful side in a confrontation so as to share in the achievement of an expected victory. Bandwagoning can be exercised, therefore, for defensive as well as offensive (pragmatic) reasons.[27]

There are multiple reasons for adopting one of the two strategies for achieving a relative level of security. One motive might be an assessment of the other party's aggregate and proximate power and its offensive capabilities and intentions. Additionally, in choosing between the two options, a state's own values are of key importance. What are its interests at this specific point in time? Who rules the country? There are also other intervening variables. Sometimes the option a state chooses may not reflect its real

[24] Walt, 5-8.

[25] Efraim Karsh, *Neutrality and Small States* (London/New York: Routledge, 1988), 99.

[26] Robert Axelrod, *The Evolution of Cooperation* (New York: Basic Books, 2006), 10.

[27] Walt, 6-8.

intentions, for instance, in cases where the state has no potential allies and is in the proximity of a more powerful actor[28] or is facing powerful internal threats.[29] In those situations, a state may have no choice but to bandwagon.

Earlier, we spoke briefly about the meaning of the basic concept of national security within the international relations framework and the way that nation states create a balance of power at times to withstand a threat. This chapter does not intend, however, to analyze why and how states balance power, although a brief description was necessary. The chapter will explain another different, very specific strategy for maintaining national security – the strategy of neutrality. The next section will illustrate how this strategy is practiced by some small states.

2. Neutrality as a National Security Strategy

a. Neutrality: Definitions and Principles

Neutrality "can be viewed in its Latin roots *ne uter*, or 'neither of two,' in war."[30] Throughout history, neutrality was often used by states as a strategy to avoid getting involved in undesired wars. This use mainly illustrates the position of a party between or toward other (two or more) belligerent sides.[31] Originally, though some European states often maintained neutrality, the concept was seen as immoral by belligerents who assumed that by avoiding the struggle, a neutral state enjoys peace while at the same time hoping to benefit from the war's outcome.[32]

Though many of the great European powers, at some point in their history, also maintained neutrality toward others' wars, this section will focus only on small states that adopted neutrality. We assume, in this respect, that if, for great powers in a hostile

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[28] See "rimstates" in Karsh, 81-92.

[29] Steven R. David, "Explaining Third World Alignment," *World Politics* 43, no. 2 (1991): 235-238.

[30] Michael H. Haltzel, "The Complex Position of the European Neutrals," in *Between the Blocs: Problems and Prospects for Europe's Neutral and Nonaligned States*, ed. Joseph Kruzel and Michael H. Haltzel (Cambridge/New York/Port Chester/Sydney: Cambridge University Press and Woodrow Wilson International Center for Scholars, 1989), xvii.

[31] Robert Jervis, *Perception and Misperception in International Politics* (Princeton, NJ: Princeton University Press, 1976), 19.

[32] Karsh, 1.

anarchic realist world, maintaining neutrality is a matter of costs and benefits, then, for small states, taking into consideration the unequal distribution of capabilities, neutrality is a question of survival. Thus, the hypothesis posed in this section is that small states situated between more superior, belligerent states with relatively equal power, will assume that a threat exists from all sides and, therefore, will choose the status of neutrality as a way to avoid confrontation.

In our discussion, we assume that the "smallness" of a state is indicative of its relatively minimal strength for confronting any more capable belligerent. For small states especially, as was already mentioned, the traditional balance-of-power theory suggests that they will seek to align with one of the rival actors so as to obtain the protectorate of the common allied power in any eventual war. But because small states are sometimes afraid of being influenced by their stronger allies or are unwilling to make concessions that may not serve their national interests,[33] some of those states may want to adopt a status of neutrality. In contrast to the balance-of-power theory, the traditional concept of neutrality suggests that adopters prefer to rely on "non-alignment means" – such as their own deterrent recourses, effective diplomacy, and/or the existing rivalry between the belligerents – rather than count on more powerful allies. Because such positioning exposes the vulnerability of the neutral state to all the possible belligerents at the same time, its continued use of the neutrality strategy rests on its ability to assure the outside camps of the reliability of its neutrality

Historically, the concept of neutrality, like alliance formation, was embraced by various states at times in *ad hoc* terms. Therefore, there was no real legitimacy in such a stand: states would change their status from neutral into belligerent, and vice versa, from war to war or even during the same war.[34] Therefore, at the 1899 and 1907 Hague Conventions, to define the rights and obligations of belligerents and neutrals in times of war, the status of neutrality was institutionalized and neutral states' rights and duties were recognized by international law. This was an important step in the

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[33] Jervis, "Cooperation under the Security Dilemma," 173.

[34] Philip Windsor, "Neutral States in Historical Perspective," in *Between the Blocs*, ed. Kruzel and Haltzel, 3.

process of gaining "approval" for turning states' neutral position toward war into a national security strategy and was first agreed by European Great Powers at the Congress of Vienna in 1815 when a status of permanent neutrality was imposed on Switzerland.[35]

According to the Hague Conventions, neutral states had been granted a set of benefits that had to be observed by belligerent states. The benefits included, primarily, protection by international law of neutral nation-states' political sovereignty, independence, and territorial integrity. In addition, belligerents are prohibited from conducting military operations on a neutral state's land, sea, or air without the latter's consent and from using the neutral's territory for placing communications installations and transporting troops, weapons, and other military supplies. Moreover, foreign states must not establish military units within a neutral country, use that state's existing facilities for any military purposes, or conduct military recruitment of that state's nationals. Any failure to observe these principles by belligerent states is considered an external violation of a state's neutrality and, in addition, constitutes a violation of international law.[36]

At the same time, neutral states acquired a number of obligations that rest on the principle of impartiality – divided into passive and active impartiality – toward belligerent parties. *Passive impartiality* obligates the neutral state to treat equally the belligerent sides engaged in a struggle, prohibits any support to a side that might negatively affect that side's enemy. The neutral country is not forbidden, however, to trade (including arms) with belligerent parties, but if a decision is made to apply any sort of sanctions, they must be applied equally to all rival camps.[37]

Active impartiality rests on the duty of a neutral state to use any means (including use of force if necessary) to prevent any country from exploiting its territory (land, sea, or air) for military purposes. Not only does the neutral state have the right not

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[35] Laurent F. Carrel, "Switzerland," in *The Missing Link: West European Neutrals and Regional Security,* ed. Richard E. Bissell and Curt Gasteyger (Durham/London: Duke University Press, 1990), 79.

[36] James Brown Scott, *The Hague Conventions and Declarations of 1899 and 1907* (New York: Oxford University Press, 1915), see Convention V, Art.1-4, and Convention XIII, Art. 1-5.

[37] Scott, Convention V, Art. 7-9.

to be exploited for military reasons by any belligerent, it is also obliged to protect those rights. A neutral states' failure to fulfill its obligations is both an internal violation of its own neutrality and a violation of international law.[38]

The major schools of thoughts on neutrality maintain opposing positions on its advantages and disadvantages, with scholars divided accordingly into neutrality realists and neutrality idealists. The realists see the world as a "jungle"[39] in which every state is always preparing for war, balancing power against its enemies, usually by joining convenient alliances. Thus, the realist approach characterizes neutral countries as dependent variables that are trying to respond to external threats and pressures that they cannot influence individually, much less control. Therefore, the realists characterize neutrality as a necessity for survival rather than a virtue. For neutral states, as Martin Wight explains, this often means maintaining a low profile: "Neutral (states) are states without any active foreign policy at all, their hope is to lie low and escape notice."[40] In contrast, neutrality idealists see neutral actors as independent variables able to influence the international system. They consider that, by being neutral, these countries have the power to have a strong voice in international politics. Thus, to the idealists, neutrality is a tool for accomplishing valuable goals.[41]

This thesis will not attempt to determine which of these two schools of thought is correct. It does point out, however, that historically, most states that start wars do so for their own gain. Over the years, various states have initiated wars for profit, hoping that by struggle they will gain control over values that others possess, values that can be broadly classified as strategic and economic. Consequently, small states, especially if they have important resources, will always be subject to threats from more powerful actors.

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[38] Scott, Convention V, Atr.5 and Convention XIII, Art. 8.

[39] Michael W. Doyle, ed., *Ways of War and Peace: Realism, Liberalism, and Socialism* (New York/London: W.W. Norton & Company, 1997), 18.

[40] Martin Wight, *Power Politics* (Harmondsworth / Middlesex: Penguin 1979), 160.

[41] For comparison, see Joseph Kruzel and Michael H. Haltzel ed., *Between the Blocs: Problems and Prospects for Europe's Neutral and Nonaligned States.*

Whatever the reasons are for their neutral status, there is no denying that states value their sovereignty, independence, and territorial integrity. Even if they may use that neutrality as a tool of their foreign policy, the basic need of neutral states seems to be to find a way to protect themselves from belligerents. Survival is the predominant need that makes all else possible, including the exercise of a foreign policy. And taking into account these states' relatively weak defense resources and permanent exposure to belligerents, the only way a neutral state can avoid being exploited is by protecting its neutral status, in other words, by achieving a recognized status of permanent neutrality.[42]

b. Neutrality: Choice and Protection

Since there is no guaranty that belligerent states will respect international law in respect to neutral states, the latter, in attempting to maintain the status quo, must convince belligerents of the credibility of their permanent neutral status. In others words a policy of "permanent neutrality may be defined as a policy of consistent non-alignment in peacetime, overtly aimed at preparing the ground for neutrality in wartime."[43] It rests on the credibility of a state's neutral intentions both during peace and during war. To achieve such a credibility level, the neutral state has a number of options, which are classified as either positive or negative components of its neutral strategy.

The positive component includes the neutral state's ability to persuade belligerent parties of the advantages they may gain from the state's neutrality. This capability rests, in turn, on the neutral state's ability to illustrate a different context of possible trade-offs, maximizing the costs to the belligerents of violating neutrality over the benefits from supporting the status quo. To convince belligerents that their neutrality has a mutual value, neutral states may offer so-called tertiary services that the rival parties cannot get otherwise from other non-neutral countries. These services might include conciliation and meditation activities for the fighting camps, various forms of humanitarian assistance, or other technical services.[44] The main point of the benefits is

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[42] Sigmund Widmer, "Forms of Neutrality," in *Between the Blocs*, eds. Kruzel and Haltzel, 22-23.

[43] Karsh, 27.

[44] Jervis, "Cooperation under the Security Dilemma," 179.

that they be more valuable to belligerents than the gains they would get from a neutrality violation. It is equally important that the tertiary services be in the belligerents' interest, so that any one of them would recognize self-interest in respecting the nonalignment of the neutral state.[45]

One historical example of the use of a positive component is Sweden's mediation between Finland and the Soviet Union during their 1939–1940 war. Sweden played an important role in helping both parties reach a relatively mutual and convenient peace settlement. During World War II, Switzerland served as one of the few points of contact between the Axis and Allied powers. Indeed, Swiss had an important role in negotiating the surrender of Nazi forces in Italy.[46] Neutral states try during peacetime, also, to provide tertiary services, by conducting different conferences, formal and informal meetings, and workshops. During the Cold War, for instance, Sweden, Switzerland, and Austria offered their territory as a neutral location for leaders of the Western and Eastern powers to meet and discuss bilateral issues.

The negative component of neutrality includes certain methods to deter belligerents from violating a state's neutral privileges by, for example, showing the disproportionality between the costs and the benefits. Like the positive component, the negative one also intends to prevent the belligerents from violating states' neutrality. But if the positive component means political, diplomatic, and humanitarian means, the negative component may also include maximizing internal defensive resources, especially military capabilities.[47] The negative component of neutrality is characterized by offensive and defensive strategies.

The offensive strategy, of the negative neutrality component, includes striking at belligerents' weak points, usually domestically, but not in a military manner. A good example of this was Ireland during World War II. When threatened by the United Kingdom, the Irish government used its political and diplomatic connections to influence

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[45] Carrel, 91.

[46] Karsh, 39-41.

[47] Hanspeter Neuhold, "Challenges to Neutrality in an Interdependent World," in *Between the Blocs*, ed. Kruzel and Haltzel, 90.

the United States, one of Britain's primary allies, domestically. In addition to asking Washington to support its neutrality against an eventual British invasion, Ireland lobbied the U.S. Congress and also attempted to influence Irish-American voters. As a result the U.S. administration, pressed by the Congress and the risk of unwelcome results at the upcoming election, persuaded the British government to abandon its intention to violate Ireland's neutrality.[48]

The defensive strategy, of the negative component, includes direct deterrence of threatening actors by building military capabilities and infrastructure that show that a neutral state is prepared and willing to protect itself, thereby persuading potential aggressors that the costs of an eventual violation will be high. Using this strategy does not mean that the neutral state hopes to actually defeat the aggressor. It is rather a means to maximize the opponent's war costs. It also takes into account the relatively equal power between two or more belligerents in a war, when any one of them may be highly unable to afford risking a high number of resources from their main war effort. It makes the aggressor review the trade-offs and eventually give up possible attempts to harm the neutral.[49]

A good example of neutral states' exercising such a defensive negative strategy is that of Switzerland and Sweden in the first phase of the Second World War. When threatened by Nazi Germany, both countries raised as large a national military force as possible. They also mined their strategic industrial plants, threatening to destroy them in case of an attack. Hitler viewed the Swiss and Swedish industries as potential resources that would benefit his war effort (Germany was benefiting in part already from the existing trade). Once convinced that those resources could be demolished, he reassessed the trade-offs and rejected the idea of attacking those states. Hitler understood that an eventual war would cost him relevant resources and leave him with a relatively

[48] Karsh, 70-72.

[49] Carrel, 91-92.

minimal benefit if the two countries were rendered industrially useless. "(N)ot only would the invasion have brought no benefits to Germany, but it would have constituted a significant burden."[50]

Within the international system there are also so-called status quo states, and though, in theory, every state has the right to adopt a neutral status, there are a number of important factors that may influence that decision. As already discussed, there is always a possibility that greedy, expansionist countries will seek to exploit others for strategic and economic profit. It appears, therefore, that the more strategic a state is, the more vulnerable it is to potential danger. A peripheral country that values its current position in the international system and has no incentive for change could easily choose a neutral status. Being far from any great powers, it is not of strategic interest to rival states. And even if it is, its distance constitutes an increased cost for belligerents and makes it less likely that they will attempt to conquer it. There is one exception to this general rule, however. States that are peripheral but neighbor a more powerful actor are completely at its mercy. These so-called rimstates' security policies necessarily depend on their strong neighbors' policies and intentions. Thus, they may be tempted to bandwagon with their neighbor in order to avoid confrontation.[51] But if the rimstate is able to persuade its powerful neighbor of the importance of its neutrality, the neighbor is more likely to support that neutrality's continuance. Good examples of this are those of Ireland and Finland, whose neutrality after World War II was supported by NATO and the Warsaw Pact, respectively, during the Cold War.

Isolated, strategically unimportant states have a better chance to maintain their neutrality whereas the so-called buffer states are the most threatened. A buffer state is one that is situated between two major potential rivals. And whereas during peacetime potential belligerents might avoid confrontation and be mutually interested in maintaining a buffer state's neutrality, in wartime, because of its strategic importance, a buffer state has a greater chance to be exploited by either side. Moreover, the more equal the balance of power between two rivals at war, the greater the chance that a buffer states will be

[50] Karsh, 66.

[51] Karsh, 81-82.

attacked, since each belligerent will try to gain control of the strategically important neutral state.[52] This hypothesis is supported by the historical situation faced by Belgium, Norway, and the Netherlands in World War II. It is reasonable for buffer states in these circumstances, therefore, not to choose a status of neutrality, but rather to try to seek alignment with other states in peacetime and thereby avoid becoming a two-way target during a war.

In sum, status quo states may choose a neutral status to avoid being dragged into the wars of more powerful states, although conditions may not always allow them to do so. Depending on their strategic position and economic status, certain states are of great interest to belligerents and thus are more threatened than less important states. On the other hand, it is the neutral's strategic and economic strength that can support its neutrality if used wisely. States that choose a neutral strategy as a means to maintain their national security, need to protect that status. And though the rights and benefits of neutral states are stipulated in international law, there is no guaranty that the law will always be observed. Therefore, while respecting their obligations and refuting internal violations of their neutrality, neutral states should use all means possible to protect their neutrality from external violations. As the empirical data shows, Belgium and Norway's permanent neutrality, based only on their declarations of that status, did not prevent them from being invaded in both the First and the Second World Wars. Switzerland and Sweden, despite conducting a positive neutrality strategy, could also have been dragged into the same wars if their negative component strategy had been absent. The conclusion that we derive from this evidence is this: to protect their neutrality, states must use a combination of positive and negative neutrality component strategies, or at least have the capability to do so. This is easier to achieve when there is a certain level of interdependency between the belligerents and the neutral.[53]

The next section will discuss the Republic of Moldova's status of neutrality. It will investigate the incentives and conditions Moldova had for adopting a neutral national security strategy and consider whether neutrality is a relevant status for

[52] Karsh, 83.

[53] Neuhold, "Challenges to Neutrality in an Interdependent World," 87-89.

Moldova. The section also explores the ways that Moldova approached to its neutrality and how this status looks in traditional terms. Finally, it will summarize how Moldova's neutral strategy currently serves its national security interests.

C. THE REPUBLIC OF MOLDOVA'S STATUS OF NEUTRALITY AND ITS IMPACT ON THE COUNTRY'S NATIONAL SECURITY

1. Moldovan Neutrality and its Legacy

Since 1994, the Republic of Moldova has been a neutral country. Its neutral status is stipulated in the Constitution and commits the country to refrain from involvement in military conflicts outside Moldova's borders, joining military alliances of any kind, permitting foreign military troops on Moldovan soil, or allowing Republic of Moldova territory to be used by other countries for military operations against any state.[54] The Republic of Moldova has a position against violence, has declared itself to have no enemies, and observes a purely defensive military strategy.[55]

Internally, the Moldovan government assured neutrality's legacy by gaining the support of the populace, which voted for the neutral status of the country in a national referendum in March 1994. In addition to being stipulated in the state's Constitution, its status of neutrality is included in the Republic's National Security Concept, Military Doctrine, and Foreign Policy Concept. The Constitution says that the abolishment of Moldova's neutral status requires a majority vote by the people in a national referendum and not otherwise.[56] However, Moldova's neutrality has never been recognized, and no other state or international organization has committed to guarantee its neutrality (a question to be researched in Chapter IV). Besides, its neutral status is mentioned only in internal legal government documents, nowhere else.[57] Therefore, in the international

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[54] Republic of Moldova Constitution, Art.11.

[55] Republic of Moldova Parliament, "Republic of Moldova National Security Concept," (5 May 1995), http://www.army.gov.md/legi/Conceptia%20securitatii.htm (accessed 16 August 2007).

[56] Republic of Moldova Constitution, Art.142.

[57] Ion Marandici, "Moldova's Neutrality: What Is at Stake?" (2006): 1, www.viitorul.org/public/866/en/IonM%20-%20studiu_neutralitate__eng_.doc (accessed 30 August 2007).

arena, there is no guarantee of its neutrality, and because it does not have a recognized history of neutrality, like Sweden, for instance, Moldova's neutrality seems merely a self-imposed status.

2. Incentives for Moldovan Neutrality

What caused the Moldovan authorities originally to adopt a neutral strategy? That decision is rooted in the fall of the USSR when a strong national movement arose in Moldova, just as happened in the Baltic republics and the Caucasus. This movement sought to restore the Romanian language as the Republic's official language, the old 'tricolor' flag, and Latin script. All of these had been Moldovan values until the USSR imposed its Soviet substitutes. As part of the national movement, also, Moldova sought union with Romania. At the same time, as a result of Soviet occupation, many Russian, Ukrainian, and other people settled in Moldova. Thus, by the beginning of the 1990s, about 26 percent of Moldova's population was made up of Russian, Ukrainian, or other Russian-speaking people. Though that does not seem a large overall percentage, the majority of it was concentrated in the eastern part of the country, so-called Transnistria, and cheered by a few power-hungry leaders, a secessionist anti-Moldovan mood was created.[58]

The Moldovan nationalistic movement, on one hand, and the Russian-speaking population's fear of becoming discriminated against in an eventual "united Romania," on the other, resulted in ethnic pressure. However, though inter-ethnic feelings were intense, there was relatively little hostility, and at that time it was still possible for the leadership on both sides to avoid conflict. However, by the spring of 1992, political immaturity on the Moldovan side, the will to gain political power on the Transnistrian side, and the Russian separatists' support by the former 14th Soviet Army's presence in Transnistria led to the two parties' engagement in military hostilities.

The Russian military was not only supplying the Transnistrian militia with arms and ammunition, but also actively participating in clashes against the Moldovan

[58] Stuart J. Kaufman, "Spiraling to Ethnic War: Elites, Masses, and Moscow in Moldova's Civil War," *International Security* 21, no. 2 (1996): 123-129.

government forces.[59] Thus, the President of Moldova, Mircea Snegur, accused Russia of beginning a "non-declared war" and called on the international community to stop the Russian aggression.[60] But getting no support, to stop the bloodshed, he had later to agree to Russia's conditions in order to stop the conflict. After the hostilities were settled and a new status quo achieved, in 1994 Moldova and Russia signed an agreement stipulating that the cease-fire agreement "was to be monitored by multilateral 'peacekeeping' forces" composed of former Moldovan and Transnistrian belligerent forces, along with Russian troops from the area.[61] The agreement also included a stipulation for the withdrawal of the Russian military by 1997, which was to be "synchronized with the granting of special political status to Transnistria."[62] Thus, apparently, Transnistria was granted de facto independence from Moldova, while Russian troops in Moldova attained a legal "peacekeeping" status.

During the earliest stages of Moldova's independence, therefore, the Moldovan government received no support from the Western powers while facing considerable external and internal threats – from the Russian Federation and the Transnistrian secessionist movement – and was at the mercy of the Russians. Given these factors, the government seemed to see neutrality as the best possible solution. However, some political annalists argue in this regard that, because of a lack of balance of power in the region, Moldova was "neutralized" by Russia, which had certain future plans regarding this geo-strategic location.[63]

In choosing neutrality, Moldova's leaders sought several results. First, for a young country that was militarily weak, neutrality was seen as the key to cheap Moldovan security. Second, with the public and political elites divided into pro-Russian and pro-

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[59] Margaret Shapiro, "Moldova Accuses Russia of Waging 'Undeclared War,' " *The Washington Post* (23 June 1992): 1.

[60] Anonymous, "Moldova Calls on Russia to End Aid to Separatists; President Appeals to UN for Defense against 'Russian Aggression,' " *Christian Science Monitor* (27 May 1992): 2.

[61] Kaufman, 132.

[62] Charles King, "Eurasia Letter: Moldova with a Russian Face," *Foreign Policy* 97 (Winter 1994-1995): 115.

[63] Vladimir Socor, "Voronin's Six-point Plan to Putin: A Calculated Risk," *Eurasia Daily Monitor* 3, no. 183 (2007).

Romanian sides, and given the armed conflict, neutrality was chosen as a means to bring the society together and reintegrate the country. Third, given the Western states' "refusal" to interfere in the problem of Russian aggression toward Moldova, it was hoped that neutrality would prevent direct Russian control. In addition, finally, neutrality was necessary in order to have Russia withdraw its troops from Moldova as soon as possible.[64]

3. Moldova's Political Elites' Approach to the State's Neutrality

Moldova's form of neutrality and the initial incentives for choosing it, are similar to the those of some other countries. Moldova's intention to consolidate as a state, for example, is similar to Switzerland's neutrality incentive. Moldova's desire to expel the Russian troops from its sovereign territory resembles the onetime situation in Austria. The fact that Moldova's neutrality status is not stipulated in any international document and is internally driven, makes it look like Sweden's neutral realm. The geo-political situation of Moldova in the beginning of 1990s that pushed it to adopt the status of neutrality was very similar with that of Finland's after the Second World War, when Moldova, though not bordering Russia, found itself in a status of rimstate because of the unequal balance of power in the region

However, there are also aspects that make Moldova a unique case, a factor that Moldova's political leaders apparently do not understand or ignore. First, in comparison, Austria accepted neutrality in return for the immediate withdrawal of Soviet troops,[65] whereas Moldova became "neutralized" merely in the hope of such an outcome. Second, all European neutrals took the choice for a neutral strategy very seriously. They made it a core pillar of both their internal and external policies. They also worked hard to achieve

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[64] Igor Munteanu, "Between Neutrality and Reform: Moldova's Bid towards EU Integration," *Institute for Development and Social Initiatives* (2006): 1, http://www.viitorul.org/public/840/en/Paper%20Nato5.doc (accessed 1 September 2007).

[65] Heinz Vetschera, "Austria," in *The Missing Link: West European Neutrals and Regional Security,* ed. Richard E. Bissell and Curt Gasteyger (Durham/London: Duke University Press, 1990), 60.

the credibility of their neutrality by exercising some of the positive and negative neutrality components discussed above, and by recognizing the attendant obligations under international law and protecting their rights.

In contrast, the Republic of Moldova lacks international recognition of its neutrality and fails to preserve it internally. Moldova has never tried to show that its neutrality benefits others and offers no tertiary services. It is true that the Cold War provided European neutral states with opportunities to demonstrate their neutral commitment, while Moldova, with the disappearance of clear rivals, has not had that chance. But if we take a close look at European neutrals, we find that even in the absence of a clear division of belligerents nowadays, they find ways to prove their neutrality around the world. And they continue to offer different helpful services that focus on various humanitarian and peace-support operations.[66] Whereas besides reiterating its position against the continued presence of Russian troops, however, Moldova does not demonstrably protect its neutrality.

The international community's misunderstanding of Moldova's position appears to have resulted from the latter's initial internal policy. When Russia supported the armed rebellion of Transnistrian separatists in 1992 and participated in direct confrontations with Moldovan forces, Moldova's politicians called these actions "aggression" against its sovereignty. They then appealed to the United Nations and the Western powers for support and even thought about declaring war on Russia.[67] Later, the same politicians agreed with the Russia's conditions to settle the peace and "legalized" Transnistria's de facto independence and the Russian military presence. Finally, they also stipulated in government documents that Moldova *had no enemies*.[68] How could they expect such a mismatch to be understood internationally? It was obvious in 1992 that Moldova did face

[66] Surya P. Subedi, "Neutrality in a Changing World: European Neutral States and the European Community," *International and Comparative Law Quarterly* 42, no. 2 (1993): 266-267.

[67] Anonymous, "Moldova Calls on Russia to End Aid to Separatists, 2.

[68] See the Republic of Moldova National Security Concept.

one external threat, the Russian Federation[69] and Moldova's leaders, who at the time chose to hide their heads in the sand like frightened ostriches, thinking that no one would notice, ignored the reality that the international community was not blind.

4. Neutrality versus Real Processes: Mismatching and its Impact on the Country's National Security

At the political-economic level, in 1994, Moldova declared Russia its strategic partner, initiated intense diplomatic and economic relations, and joined the Russian-led regional organization, the Commonwealth of Independent States (CIS).[70] Nine years later, while still advocating its presence in the CIS, Moldova announced its desire to also integrate into the European Union (EU). Because the EU is an organization that also relies on common security norms besides its economy-based appearance, one may argue that an eventual integration into the EU should pose a future challenge to Moldova's neutrality. If traditional neutral countries shall be on neither side, Moldova appears to be willing to stay on both sides, a position that can hardly be called neutrality.

Then, in contrast to other neutral countries, besides not providing any tertiary services, Moldova does not even seem to be interested in participating in peace-support operations (PSO), except for providing some Military Observers under the UN and OSCE flags.[71] One could say that Moldova's economic situation is weak and cannot afford sophisticated services. But if Bangladesh can participate in peace-support operations, there is no reason to think that Moldova cannot, given that there are legal bases for doing so. Instead, while Moldova's laws regarding participation in PSO stipulate eventual involvements only under UN or OSCE mandates,[72] joining the United States' Operation Iraqi Freedom in 2003[73] was a clear internal violation of Moldova's neutral status. It is

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[69] Allen C. Lynch, "The Realism of Russia's Foreign Policy," *Europe-Asia Studies* 53, no. 1 (2001): 10-14.

[70] Kaufman, 132.

[71] See Moldovan Ministry of Defense Official Web-page, http://www.army.md/?action=show&cat=14 (accessed 16 September 2007).

[72] Mihai Druta, "NATO Enlargement's Impact on Moldovan Neutrality," *NATO-EAPC Individual Research Fellowships Report* (2001): 59, http://www.nato.int/acad/fellow/99-01/druta.pdf (accessed 12 August 2007).

[73] Moldovan Ministry of Defense Official Web-page, (accessed 18 September 2007).

quite difficult to comprehend why a country that can (and should as a neutral) participate in missions according to its own laws does not do it, whereas participates in missions against the laws. This discrepancy does nothing to support Moldova's neutrality either.

Another gap occurs when we analyze the idea that, to be effective, neutrality should be based on both economic power and an advanced interdependency between the neutral and belligerents. From this perspective also, Moldovan neutrality does not appear relevant, since Moldova does not have the capability to negatively support its neutrality. Indeed, there is little hope it can deter other powers,[74] as is obvious by the Russians refusal to withdraw their troops. Moldova cannot afford an offensive deterrence because of the lack of interest groups in potential belligerent countries, especially Russia. On the other hand, a defensive deterrence is not possible either, because Moldova's economic dependence on Russia is so great that neutrality is not likely to push the latter to observe Moldova's rights under international law. This was demonstrated by Russia itself when, in 2006, it banned Moldovan agriculture products, leaving Moldovan authorities with no choice but to beg for a lifting of these sanctions.[75] In any imaginable neutral offensive operation, Moldovan authorities would also not be able to use the threatening tactics used by the Swiss and the Swedish during World War II, because there are no strategic installations in Moldova that a potential belligerent would highly value. Therefore, at a negotiating table, there is only a very narrow space for maneuver that Moldovan elites could use, and very limited (if any) leverages for "hawkish" persuasion. This leaves Moldova with only one option – "dovish" diplomacy.

Moldova has also failed to ensure a possible status of armed neutrality. Within seventeen years of its independence, it had reduced its military forces to only 6,800 troops by 2007. And the gross domestic product (GDP) for defense has never been higher

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[74] For more information on Moldova's economic situation, see Per Ronnas and Nina Orlova, *Moldova's Transition to Destitution* (Gothenburg: Novum Grafiska, 2000).

[75] Anonymous, "Moldova Economy: Consequences of Russia's Ban on Wine Imports," *Economist Intelligence Unit Ltd* (12 February 2007), http://proquest.umi.com.libproxy.nps.edu/pqdweb?index=1&did=1264582301&SrchMode=1&sid=1&Fmt=3&VInst=PROD&VType=PQD&RQT=309&VName=PQD&TS=1190527366&clientId=11969 (accessed 13 September 2007).

than 0.4 percent, which keeps its defense capabilities at a very weak level.[76] This budget cannot even cover military reforms that, ironically, are approved by the government but are impossible to realize without additional funding. From the defense point of view, Moldova's government forces are estimated to be approximately as big and effective as Transnistria's para-military forces.

From the legal stance, by pledging to respect its own neutrality, Moldova successfully avoided adherence to the Russian-driven Collective Security Treaty Organization of the CIS. However, at the same time, since 1994 Moldova has been a member of the NATO Partnership for Peace (PfP) program and, in 2006, signed an Individual Partnership Action Plan (IPAP) with NATO.[77] The question then arises whether Moldova's military cooperation with NATO is a violation of its neutrality? Its open military empathy with the Atlantic Alliance brings it a lot of criticism, especially from Russian and Transnistrian leaders, and makes Moldova's neutrality less credible.[78] At the same time, the political leaders' assumption that neutrality would be cheap and easy put the country in a very weak security position militarily. Without allies and with only a small military, poorly equipped and trained, Moldova is not likely to be able to defend itself effectively.

The biggest external violation of the Republic's neutrality has been the presence of the Russian Federation military on Moldovan territory even after its independence. Despite various appeals by the Moldovan government to other states and international organizations to persuade Russia to withdraw its troops, there has been no real progress so far, only rhetorical clams. Moreover, though Russia has committed itself numerous times to the withdrawal, for various reasons it always fails to do so. Even international agreements such as at the 1999 Istanbul OSCE Summit, whereby Russia agreed (by

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[76] "Country Report: Republic of Moldova," *U.S. Central Intelligence Agency Website,* (2007), https://www.cia.gov/library/publications/the-world-factbook/geos/md.html#Military (accessed 17 September 2007).

[77] Marandici, 2.

[78] Karen Ryan, "Moldova 'Bogus Neutrality' Draws Fire from Transnistria," (2007), http://www.tiraspoltimes.com/node/898 (accessed 15 September 2007).

signature) to pull out its forces by 2002, seem not to be effective. This international law violation, which Moldova is unable to defend itself against, appears to be tolerated by the entire international community.

In sum, it results that even though adopting a neutral status seemed to be the best solution for Moldova after regaining its independence, the governments ever since failed to consolidate this strategy in traditional terms. The failure to get international recognition and convince the international community about the seriousness of its neutrality, along with the poor domestic policy in this direction, drove Moldova to a point where its neutrality, as well as security, is questionable. Not using diplomatic means in order to defend its neutrality, not providing tertiary services and not investing in its deterrent capabilities seem to be the main reasons for the failure of establishing an effective and credible neutral status in Moldova.

Swinging between the West and the East appears to be a questionable option for a weak country like Moldova. This attempt to "free ride" does not seem effective and is proved by the Russian Federation's de facto military occupation and Moldova's lack of other potential allies, a fact that makes the country neither neutral nor secure. Therefore, the Moldovan security specifications shall be reviewed in order to ensure an effective national security. There is sufficient evidence that the current approach to the Moldovan neutral status does not work very well. The Moldovan government, therefore, should either revise the current strategy according to the environmental realities, (with introducing necessary changes), or they need to switch a new security strategy. In the beginning of the twenty-first century, there can be no more "free lunches" in the security sector, and regardless of what the national security strategy is, concrete commitments are necessary.

D. CONCLUSION

This chapter has argued that after the Treaty of Westphalia in 1648 the notion of national security became important. Following long debates over international relations' paradigms, the neo-realism approach of Kenneth N. Waltz and his supporters defined the

basic theory of national security in the anarchic international system as a balance of power, in which states, by balancing power or bandwagoning, form alliances in order to overcome common threats.

Neutrality used to be an ad hoc strategy that meant certain states were unwilling to get involved in certain wars. But at the end of the nineteenth century, the great European powers' imposed permanent neutrality on Switzerland. This new national security strategy then began to be chosen by other states and was given international recognition at the 1899 and 1907 Hague Conventions. Permanent neutrality came to rely on the assurance of status quo states to belligerent countries that such a policy is not only permanent but also based on using a combination of positive and negative strategy components. By this usage, neutral states have attempted to create a credible base for their neutrality during peacetime – initially by providing different tertiary services – so as to remain neutral during wartime. In addition to peaceful assurances, countries such as Belgium before the two World Wars and Norway during World War II have proved the necessity of deterrent capabilities to demonstrate that the costs are higher than the benefits for belligerents that choose to violate states' neutral status. These capabilities rely therefore on the strategic, economic, and military resources of the neutrals, because effective neutrality is not cheap if it is to be seriously protected.

The Republic of Moldova declared its permanent neutrality in 1994 after a brief civil war and pressure from the Russian Federation. This made some analysts think the status was imposed by Russia in order to preserve its future imperial ambitions in the post-Soviet era. This seems a reasonable assumption since Moldova's neutrality has legalized Transnistria's de facto independence and Russia's military presence in Moldova for almost seventeen years. On the other hand, some believe that the main reasons for such a status were the intention to reintegrate the Moldovan society, to prevent Russia's direct control, and to use this as a tool to affect the Russian troops' withdrawal from Moldova.

Regardless of the real reasons, the situation was complicated and adoption of neutrality appeared to be the best solution. However, the political leaders of Moldova have executed this security strategy in a way that makes little sense in both neutrality and

security terms. This approach has resulted in a major reduction of the national military which places the country in a very poor military security posture. At the same time, Moldovan officials played a double game between the West and Russia by maintaining a special economic relationship with Russia while empathizing and cooperating militarily with NATO. In addition, the internal violations such as Moldova's military participation in Operation Iraqi Freedom and its failure to protect itself from external violation by Russia, through its troops' continued presence on Moldovan soil, seriously undermine Moldova's neutral status.

The country makes no effort to protect and assure its continued commitment to permanent neutrality. The approaches used by Moldovan political leaders continue to harm the country's national security because of an unclear and poorly defined security policy. The small and poorly equipped military is not likely to be able to defend the country, while the small size of the internal defense budget and the slow progress within the framework of the Partnership for Peace programs can not assist in implementation of reforms. While an effective neutral policy is characterized by a combination of positive and negative components, Moldova does not seem to have the necessary resources to develop such capabilities. It therefore keeps a low profile, making itself look like Norway before World War II. As viewed by its critics, these Moldovan courses of action neither place the country in a position of de facto neutrality nor offer a secure course of action.

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III. EUROPEAN UNION SECURITY: COMPATIBILITY OF NEUTRALITY AND ALIGNMENT IN TODAY'S EUROPEAN SECURITY FRAMEWORK

Security is the first condition for development.

Javier Solana, 2003

A. THE EUROPEAN UNION'S COMPREHENSIVE SECURITY

1. Introduction

While the European Union is first of all a community of nation states that share similar democratic values, common market economies, and legal norms, it lately also began to develop a comprehensive security framework which is aimed at increasing the Union's common security and defense of its interests.[79] As considered within the EU, the best way to protect the organization's security is "a world of well-governed democratic states. Spreading good governance, supporting social and political reform, dealing with corruption and abuse of power, establishing the rule of law, and protecting human rights are the best means of strengthening the international order."[80]

In exercising its security requirements, the European Union relies on its second pillar, the Common Foreign and Security Policy (CFSP) and the European Security and Defense Policy (ESDP). Since the EU is a multistate organization, member states must follow certain common laws, rules, and policies. The second EU pillar includes a military dimension and thus resembles, in this aspect, a military alliance, thereby possibly undermining the principle of neutrality that some EU members enjoy.

This chapter will analyze the EU's accommodation of both aligned and neutral states at the same time. Moreover, it will try to determine whether candidate states' security strategies influence their EU integration process. First, the chapter will look

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[79] Boyka Stefanova, "The European Union as a Security Actor: Security Provision through Enlargement," *World Affairs* 168, no. 2 (2005): 51.

[80] European Council, "European Security Strategy," (Brussels, 12 December 2003), http://www.iss-eu.org/solana/solanae.pdf (accessed 8 December 2007), 16.

briefly at the EU's comprehensive security concept. Then, it will describe the way that some states may join organizations based on a policy of reciprocity, while at the same time maintaining a neutrality clause. To illustrate this, the case of Austria will be analyzed. Finally, the chapter will examine the way that Latvia, as an aligned state, was integrated into the EU and will attempt to determine whether its status of alignment helped or made no difference during the integration process. The chapter will conclude with a comparison of the role played by the two countries' security approaches within the EU integration process.

2. Background: The Roots of the EU's Comprehensive Security Policies

After the collapse of the Soviet Union and the end of the Cold War, Europe was faced with a need to dramatically change its security approach. With the "Red evil" gone, realist views on security almost lost their relevance in Europe, making room for a review of threat perceptions and a new security understanding.[81] For those who had expected an eventual big conventional war in Europe with the Soviet Union, it was indeed a dilemma. The antagonist power had dissolved while huge numbers of West European countries' troops and armaments remained on the continent. The main question that European civilian and military elites asked, was, "What now?"

However, just as Western leaders were celebrating the "defeat" of the Soviets and began thinking of future security paths to be taken, the Balkan wars occurred, drawing on resources that had begun to seem irrelevant. And that is how Europe made its first security "business deal" following the end of the Cold War. The consequences, problems, and challenges that resulted from the Balkan tragedy became Europe's new security issues: regional instability, human rights violations, and ethnic cleansing that caused the movement of refugees and internally displaced persons (IDPs) across Europe. The countries of Western Europe, though used to controlling their internal populations, thus faced a big problem of incoming people who spoke no local language and had no homes,

[81] Adrian Hyde-Price, "Beware the Jabberwock!": Security Studies in the Twenty-First Century," in *Europe's New Security Challenges,* ed., Heinz Gaertner, Adrian Hyde-Price, and Erich Reiter (London: Lynne Rienner Publishers 2001), 44–45.

jobs, local identification cards, and so on.[82] These factors contributed to an increase of illegal activities – illegal employment, illegal immigration, etc. – and crime, including organized crime and drug and human trafficking, and general disorder.[83]

Another growing problem for Europeans after the collapse of communism was the accessibility of border crossings from Eastern Europe. The poverty produced by the Soviet rule in Eastern Europe and the former USSR, in addition to internal conflicts in the post-Soviet territories such as Transnistria, Abkhazia, and South Ossetia, caused people to flee as far as possible in search of peace and safety. Therefore, an increasing immigration, both legal and illegal, came from Eastern Europe, further aggravating the remaining Western forces' security task. Moreover, weak governments, especially in some former Soviet republics, and slow economic progress further encouraged immigration to the west.[84] With the events of September 11th and the rise of rogue states Europeans recognized additional threats: international terrorism and the proliferation of weapons of mass destruction.

These are the factors that were perceived as major security threats and that resulted in a new security approach in post–Cold War Europe. As a result, in 2003, the EU's so-called second pillar – the Common Foreign and Security Policy and the European Security and Defense Policy (ESDP) – was enhanced by a clearly written strategic document, the European Security Strategy.

3. European Security Strategy: A Comprehensive Security Basis for the European Union

The European Security Strategy (ESS) promotes a comprehensive approach to European security, acknowledging that due to the changes in the international system in

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[82] Gunther Hauser, "Regional Approaches to Comprehensive Security in Europe," in *European Security in Transition,* ed., Gunther Hauser and Franz Kernic (Aldershot, England: Ashgate Publishing Limited, 2005), 135–137.

[83] A Human Security Doctrine for Europe: The Barcelona Report of the Study Group on Europe's Security Capabilities, Barcelona, 15 December 2004, http://www.lse.ac.uk/Depts/global/Publications/HumanSecurityDoctrine.pdf (accessed 2 December 2007), 4-6.

[84] For a more detailed picture, see Richard Sobel and Eric Shiraev, ed., *International Public Opinion and the Bosnia Crisis* (New York, N.Y: Lexington Books, 2003).

the 1990s, there was a need to deviate from the pure realist paradigm of security studies. The revival of nationalism and ethnic conflicts was beginning to be considered a real challenge on the old continent. Problems of regional instability and conflicts, poverty, hunger, injustice, and immigration were also serious considerations. Additional challenges such as environmental pollution (e.g., global warming) and the spread of dangerous diseases (e.g., AIDS) were not ignored either, and, since then, have been considered real threats to Europeans' well-being and thus their security.[85] As a document explaining the EU security approach, the ESS lists the necessary "tools" for promoting CFS/ESD policies. They include strategies for securing the integrity and independence of the Union, protecting the common values, and promoting diplomacy and respect for human rights outside the EU. The Security Strategy also illustrates an EU framework based on solidarity and cooperation within which the member states shall willingly share the burden of the common security.

The European Security Strategy specifies five main threats: terrorism, proliferation of weapons of mass destruction (WMD), regional conflicts, state failure, and organized crime. It treats these threats as closely interrelated. For example, in European terms, the much overused and ever more diffuse term terrorism marginalizes development, alienates people in different regions of the globe, and leads to antagonism. Also, regional conflicts may produce failing states, terrorism, and organized crime.[86] There is a circular aspect involved too, as any combination of these threats may logically lead to results already mentioned: illegal immigration, poverty, and instability. While it does not ignore the negative (i.e., military) security dimension, the ESS stresses the need to increase civilian as well as military assets in order to face the new challenges. Because these problems are not purely militarily based, it argues that military means alone will not be sufficient to counter them.[87]

Europe's comprehensive security depends on a mixture of civilian and military resources, but prefers nonmilitary means first. It is based primarily on ensuring the

[85] Stefanova, 54–55.

[86] European Security Strategy, 6-9.

[87] European Security Strategy, 12.

welfare of European nations, and, therefore, spreading democracy and the rule of law and diffusing liberal norms are the priority. The European Security Strategy believes that friendly neighbors are a key to EU security; thus, the EU enlargement process is considered a major tool in changing "the others."[88] The ESS acknowledges a further possible need for humanitarian interventions (a Balkans' lesson), including direct military intervention. However, they should be done in strict compliance with international law. The EU also considers the United Nations Charter as a main international law, highly respects it, and would, moreover, take measures against those who break UN rules.[89]

The European Security Strategy sees its security effort as a common goal based on multilateralism and contributions and solidarity among the EU member states. Cooperation with partner countries and a strict compliance with the UN Charter are additional EU priorities. The ESS also stresses the unification of resources as crucial for ensuring the EU's security, which is considered the main condition for development.[90]

4. European Security and Defense Policy's Military Dimension

One of the EU's main security goals is stabilizing the general territory of Europe in its widest sense and its glacis. While there is no need at present for actual use of military forces within the EU territory, the EU enlargement process brought the Union's borders to some quite unstable regions where ethnic grievances and civil conflicts are still virulent.[91] The EU is not a military alliance solely, and its European Security and Defense Policy does not contain either a "common defense" clause or a "Common European Army" concept. Member states are not bound by any mandatory military obligation;[92] instead, the security concept is based on individual contributions and solidarity. It does, however, recognize that military capabilities are important and

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[88] Sten Rynning, "The European Union: Towards a Strategic Culture?" *Institute of Political Science, University of Denmark* 34, no. 4 (2003): 483.

[89] European Security Strategy, 14.

[90] European Security Strategy, 15-20.

[91] Hauser, "Regional Approaches to Comprehensive Security in Europe," 137.

[92] Stefanova, 55.

encourages member states to develop their armed forces at the national level and to cooperate militarily within the European Security and Defense Policy framework. Interoperability development and EU military cohesion are considered crucial.

In 1999, at the Helsinki European Council (Helsinki Headline Goal) it was decided that the EU had to increase its military capabilities, and the member states decided to create a Rapid Reaction Force. These forces were supposed to combine 60,000 highly professional troops that would be able to deploy within sixty days in necessary mission areas. The EU Rapid Reaction Forces have to derive from EU members' contributions, be self-sustaining, and have high operational, intelligence, and logistic capabilities.[93] Additionally, in 2004, the concept of "EU Battle Groups" was approved; these groups shall contain thirteen units of some 1,500 troops that would be able to deploy within a range of up to 6,000 kilometers from the EU capital. They ought to be capable and prepared to respond to current threats such as terrorism, while their use should be exclusively, through crisis-management and peace-support operations outside the EU.[94] At the same time, the EU does not stand aside, but tries to actively use the available means in security matters. This has been proved in independently conducted operations such as "Concordia" and "Proxima" in the Former Yugoslav Republic of Macedonia, and "Artemis" in the Democratic Republic of Congo.[95] Additionally, the amount of more than 160 billion Euros that the EU spends on defense each year also serves as proof of the EU's seriousness to the question of security.[96]

The military dimension seems to be well supported by the EU public. For example, a European poll which included four large EU countries – Germany, France, Poland, and the UK – showed that at least 70 percent of Europeans generally believe in the armed forces' roles. Also, 94 percent of questioned Europeans supported the

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[93] Gustav E. Gustenau, "The Concept of Homeland Security in the European Union and in Austria: A Challenge for the Austrian EU Presidency," in *Transforming Homeland Security,* ed. Esther Brimmer (Washington, D.C.: Center for Transatlantic Relations, 2006), 79.

[94] Hauser, "Regional Approaches to Comprehensive Security in Europe," 140-141.

[95] Gunther Hauser, "The ESDP: The European Security Pillar," in *European Security in Transition,* ed., Gunther Hauser and Franz Kernic (Aldershot, England: Ashgate Publishing Limited, 2005), 52-53.

[96] European Security Strategy, 17.

militaries' role in homeland defense, while 77 percent think the role of the army is to prepare and fight wars. At the same time, an average of 70 percent of Europeans would support the military for different goals. More than 55 percent (smallest in Germany, 55%; biggest in UK, 84%) of EU people have confidence in the armed forces. Moreover, while the EU is believed to be primarily an economy-based union, less than 50 percent of Europeans think that the economic focus has priority over military power.[97]

In sum, the European Union is an organization that after the Cold War took a comprehensive approach to security. Both the EU Common Foreign and Security and the European Security and Defense Policy were enhanced by the 2003 European Security Strategy. The organization stresses the importance of norms' diffusion and considers that peaceful, developed, and friendly neighbors are the key to EU security. The EU pledges that a combination of civil-military means is necessary to successfully face the current threats and challenges. Europe's comprehensive security must be based on the UN Charter, multilateralism, cooperation, and solidarity among members. Though a positive security dimension is advocated in the EU as a primary resort in security matters, the encouragement of member states to develop national defense capabilities for direct interventions, as stated in the ESS,[98] is meant to increase the EU's military strength over time.

B. THE EU AND THE QUESTION OF NEUTRALITY: AUSTRIA

As was noted in Chapter II, historically, each neutral state had its own incentives for choosing the status of neutrality. Therefore, it is only logical to view each state individually.[99] The principles of neutrality are clearly stipulated in international law and, one may argue, should be respected in the way they are laid out. However, since the time of the Hague Conventions many issues and circumstances within the international system have changed dramatically. Moreover, the twentieth century brought the biggest changes

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[97] Meyer, 140-155.

[98] European Security Strategy, 18.

[99] Gerald Hinteregger, "Some Misconceptions about Austrian Neutrality," in *Between the Blocs: Problems and Prospects for Europe's Neutral and Nonaligned States*, ed. Joseph Kruzel and Michael H. Haltzel (Cambridge /New York/Port Chester/Sydney: Cambridge University Press and Woodrow Wilson International Center for Scholars, 1989), 269.

in the history of international relations, evidencing all three known types of international order: multipolarity, bipolarity and unipolarity. The two World Wars, the Cold War, and the post–Cold War period, especially, created deep changes in the political order, international relations, foreign policy, and states' security strategies. Changes in the security field, globalization, and the growth of economic interdependence, etc., also directly or indirectly affected neutral states. Therefore, it seems clear that the neutrality concept itself needs another approach as well. A neutral state today cannot be expected to act in a way that was relevant more than a hundred years ago: neutrality might and shall be reconsidered, reassessed, and reinterpreted according to the existing changes and realities.[100]

1. General Historical Background

Austria became a neutral state in the aftermath of World War II, in 1955. Its merger with Nazi Germany after 1938 meant that the country came under the Allied powers during the occupation. While West Germany allied itself with the West and NATO, the case of Austria led to a different path in 1954-1955 at the time of possible neutralization schemes and pull back plans. Therefore, neutrality on the Swiss model was the preferred option of Austrian leaders at the time as a means to regain de facto sovereignty and independence. Technically, the Austrian government declared its permanent neutrality unilaterally; but, in reality, it was an agreement between the Western Powers and the Soviet Union which left Austria no better alternative. Back then, Austria's choice was not between the West and the East, but rather between becoming neutral and sovereign or remaining non-neutral and an occupied territory.[101] In its commitment to neutrality, Austria was not to join NATO to satisfy the Soviets, and remain noncommunist to satisfy the West (the latter suited Austria's interests very well, since it had always been an Occidental country). Austria's neutrality agreement, also

[100] Josef Binter, "Neutrality, European Community and World Peace: The Case of Austria," *Journal of Peace Research* 26, nr. 4 (1989): 417.

[101] Hinteregger, 271.

known as the Moscow Memorandum, was signed in 1955 in Moscow. Later that year, Austria's government adopted the Neutrality Act, introducing the law in the state's constitution.[102]

Though Austria became neutral as a price for being one of the Second World War "losers," its government took its neutral status very seriously. During the entire Cold War period, Austria looked forward to enhancing its neutral position, though in reality it, like Switzerland laid in the path of a possible Warsaw Pact assault. The Austrians created the Bundesheer in the mid-1950s on the Swiss model as a means to uphold neutrality and give weight to Austria in the international system of collective security such as it was. It acted as a mediator and "bridge-builder" during the East–West confrontation, played a significant role as one of the neutral "peacekeepers" in the UN peace-support effort, and rebuilt its economy by taking advantage of trade with both Western and Eastern countries. It succeeded in developing aspects of both the positive and negative components of neutrality by offering the noted tertiary services while developing its deterrent capabilities. It had a peaceful international image and fostered interdependence with both the West and East. In addition, the Cold War belligerents' attitude toward Austria was generally positive, all of which seemed to create a reliable stake for Austria's neutrality.

However, Austria also stressed the military dimension needed to defend its neutral status and had quite a powerful defense force, which, though based on the militia system, at the end of the 1980s could mobilize up to 260,000 troops within a few days.[103] All in all, Austria achieved the best results[104] imaginable at the time: a Western democratic style of living along with a strong economy while at the same time avoiding a revival of Nazism, militarism and communism. As a result, the Austrian public believed that their status of neutrality was actually the reason for their sovereignty, peace, and prosperity.

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[102] Vetschera, 59-60.

[103] Vetschera, 69.

[104] The author considers Austrian conditions "the best" because, in contrast to Austria, other Western countries were paying for "richness" by sharing the burden of NATO in addition to being the USSR's targets.

Indeed, most Austrians continue to believe this fact today in the midst of the rise of Austria as an EU nation-state and increasingly as an actor in endeavors of collective security and post-conflict reconstruction.[105]

2. The End of the Cold War and a New Political Approach to Neutrality

The end of the Cold War resulted in two major changes in Austria: a considerable weakening of the Eastern trade market on its Soviet pattern (to be replaced in this decade with its more vibrant and pleasing successor within an enlarged EU) and the disappearance of the major proponent of Austria's traditional neutrality, the Soviet Union. On the other hand, the EU (then the European Community) promised new economic growth with larger markets, simplified trade conditions and greater opportunities. And Austria, in an economic decline (especially the nationalized branch)[106] at the time, indeed needed European markets, especially as the EU stood ready to accept wealthy neutrals,[107] making EU integration seem a logical path for Austria to take. So, unlike in 1955, Austria now had a choice to make, between joining the EU in 1995 and becoming richer or maintaining its traditional neutrality and becoming economically weaker in the long-term.

Even today it is hard to imagine that the Austrian populace would "trade" neutrality for anything else,[108] although the possibility of joining the European Union after the Cold War was strongly supported by the ideologically Western Austrian society. The local government fully expected strong public opposition to full EU integration if

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[105] Michal Koran, "Austrian Neutrality: Burden of History in the Making or Moral Good Rediscovered?" *Perspectives*, no. 26 (2006): 34.

[106] Paul Luif, "Austria: Adaptation through Anticipation," in *Adapting to European Integration: Small States and the European Union,* ed. Kenneth Hanf and Ben Soetendorp (New York: Addison Wesley Longman Limited, 1998), 116.

[107] Subedi, 239.

[108] Hanspeter Neuhold, "Austria and European Security: The Question of Neutrality," in *Managing Security in Europe: The European Union and the Challenge of Enlargement,* ed. Franco Algieri, Josef Janning, and Dirk Rumberg (Gutersloh: Bertelsmann Foundation Publishers, 1996), 23.

that would undermine Austria's status of neutrality.[109] Therefore, to gain the public's consent to EU integration, the government first analyzed the Maastricht Treaty to determine whether it could accommodate a neutrality clause.

Also, in light of the many international changes, Austrian leaders had to reassess the neutrality status itself in order to make it conform to EU rules. They were aware that, while most of the Austrian people had probably not thought about the details of the neutrality status, the status itself had to remain in effect. Thus, the Austrian officials had to actually redefine the term "neutrality" in a way that was acceptable to both the people and the EU and that, at the same time, accommodated Austria's traditional rules and beliefs. For the purposes of this thesis, the concept which the Austrian government finally decided on is referred to as ***neo-neutrality***.

Their efforts were rewarded. The government concluded that Austria's traditional concept of neutrality applied overall to matters of war, more specifically, to the maintenance of an impartial attitude toward belligerents. Notably, this neutrality did not require economic impartiality during peacetime: a neutral state was free to have economic relations with any other state or to join any organization, as long as the organization did not have military requirements. Moreover, with the dissolution of the USSR, there were no obvious belligerents that Austria had to buffer; the current concept of war seemed as outdated, therefore, as Austria's traditional neutrality. At this new stage in international politics, neutrality was somewhat marginalized by being reduced to military noninterference,[110] a step that Austria was unlikely to take, in any case.

Moreover, after conducting its detailed analyses, Austrian officials realized that there were no legal aspects of EU membership that would conflict with Austria's neutral status.[111] The EU is, notably, not a military alliance and its charter contains no common-defense clause; thus member states are not bound by any mandatory military obligations. Nothing within the Union was opposed to a status of neutrality, at least in terms of

[109] Luif, 119.

[110] Koran, 28.

[111] Luif, 118.

Austria's new understanding of the term. Furthermore, in contrast to the Cold War period, there was no opposing force to Austria's new neutrality approach;[112] the only "force" the Austrian government had to convince was the Austrian populace. In light of these circumstances, the only reasonable thing to do was to join the EU, and that is exactly what Austria, Finland, and Sweden – all neutrals – did on 1 January 1995. They became official EU members while at the same time retaining their neutral status.

3. Austrian's Neo-neutrality: Compatibility with European Security Policies

Some might argue[113] that Austria's membership in the EU, which has at least some duties under the European Security and Defense Policy (ESDP), means that it has forfeited its de facto neutrality. Indeed, the ESDP term *common* is the opposite of *individual*, which suggests that a status of neutrality would be inherently contradictory. Obviously, a state's individual neutrality conflicts with aspects of the EU's commonality as an institution that includes non-neutral members. And Austria, as a full member of the EU, would seem, at least in terms of the EU's second pillar requirements, to be restricted from having independent foreign and security policies. Austria has to comply with the principles of the European Security and Defense Policy, has to cooperate with other EU members, and has to follow the solidarity clause,[114] all aspects that could undermine its neutrality. However, this is primarily a first, superficial impression, that is reasonable only in terms of conceptually classical neutrality. Nonetheless, to differentiate neo-neutrality from traditional neutrality, we must take a closer look at the implications of the EU's European Security and Defense Policy.

To begin, bear in mind that the European Union has a comprehensive approach to security. This means, basically, that conventional war is seen as obsolete and that the current threats – terrorism, the proliferation of weapons of mass destruction, regional

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[112] Subedi, 258-260.

[113] See Matthew Kaminski, "Sweden, Austria, Finland and Ireland Remain Neutral EU Block in Name Only," *Wall Street Journal* (7 March 2000): 21.

[114] See more on "Solidarity versus Neutrality" in Waldermar Hummer, "The New EU: A 'Military Pact'? Solidarity – Neutrality – 'Irish Clause,' " in *European Security in Transition,* ed., Gunther Hauser and Franz Kernic (Aldershot, Eng.: Ashgate Publishing Limited, 2005), 67-71.

conflicts, state failure, and organized crime – are being taken into account in a very different way. The EU focuses primarily on the civilian dimension when dealing with these and other threats. Austria's neutrality should, therefore, not be a problem, especially as the EU-aligned countries have a similar security approach. Overall, EU member states reserve the right to retain an individual position in their foreign and security policies.[115] Austria's position, for example, in disagreeing with the 2003 U.S. invasion of Iraq was similar to those of Germany and France, although the former is neutral and the latter two are aligned countries.

Neutral states have always advocated diplomatic means to address threats and solve conflicts. Austria may be able to make a significant contribution, therefore, to the EU's European Security and Defense Policy by offering its civilian diplomatic expertise in efforts to counter Europe's current threats. Neutrality advocates would hardly be in a position to challenge such a contribution, given that neutrals are expected, and even inherently inclined, to work to prevent conflicts. Traditionally, the neutral approach has always been welcome, whereas nowadays, in many cases, countries that stay away from conflicts are seen more as immoral and egoistical.[116] It is not likely that Austria would be criticized for violating its neutrality by allocating funds to the EU's efforts, under the ESDP, to combat terrorism, organized crime, and WMD proliferation. Nor would Austria's neutrally be questioned if it were to assist a country in its efforts to prevent poverty or state failure.

The same question might be asked about Austria's contributions – including financial resources, expertise, or troops – to peace-support and crisis-management operations. Moreover, the threats faced by the EU as a whole are also faced at the individual national level. Thus, even if Austria were not in the EU, it would still have to use its resources to ensure the security of Austria as a state and a society. In sum, neither Austria's contributions to Europe's overall security as a member of the EU, nor its own security efforts at the national level, pose a danger to Austria's status as a neutral country. Though exercised in different ways, they have the same motivation. Within today's

[115] Subedi, 260.

[116] Koran, 35.

international system, states face similar threats and challenges. Their mutual cooperation is required therefore for their common security, and every reasonable country is likely and expected to contribute, regardless of the security strategy that they maintain at the domestic level.[117] A more difficult question to address is whether these states all have the necessary resources for securing the "common good." Austria does.

4. Austrian Military Contribution to the EU

Because the European Security and Defense Policy (ESDP) does not have a common defense clause, both neutral and aligned countries have an option in respect to the terms of their contributions. According to the general ESDP rules, and given its neutral status, Austria is free to choose when and how to contribute. But that is not as simple as it may appear. As an EU member, Austria has to abide by the solidarity clause and be as cooperative as it can in order to receive adequate treatment from other member states and maintain its credibility. It would not want to appear, for example, like a "free-rider," even militarily, and the EU comprehensive security approach has enough room for accommodating lawful military contributions for neutral states.

When approached from a military point of view, neutrals are encouraged to participate in peace-support/conflict-resolution operations. And even during the Cold War Austria, like other permanent neutral states, participated in numerous peace-support operations: to date, more than 35,000 Austrian citizens have served under the UN flag.[118] In this regard, nothing has changed since the collapse of bipolarity. Indeed, regional, especially civil, conflicts have even increased since the 1990s; and the UN continues to need "blue berets," especially well-prepared ones. As long as future missions have a UN mandate, neutrals may and shall contribute to global peace, including with military troops. For the European Security Strategy favors the UN authority in security matters, and Austria's contribution of troops within the EU under a UN mandate would be considered entirely ethical. However, imagining an eventual Austrian contribution absent a UN mandate is more difficult. Depending on the situation, Austria would no doubt react

[117] European Security Strategy, 19.

[118] Neuhold, "Austria and European Security: The Question of Neutrality," 25.

differently. Using troops in an antiterrorist operation also should not be considered a violation of Austrian neutrality, because "terrorism" is not a specific belligerent or state. Rather, it is a tactic to frighten civilians, and is now often perceived as a crime. Helping to protect civilians from terrorism would therefore not violate Austria's neutrality, and, depending on the situation, failing to help could even be seen as immoral.

In preparation for any eventual ESDP missions, Austria continues to maintain its military at an equitable level. Though the military is intended primarily to defend the homeland, in 1994 Austria joined the NATO Partnership for Peace Program (PfP) in order to increase its interoperability with other European partners.[119] Thus, its soldiers train with other European countries' forces so as to achieve a higher level of interoperability and enhance their peacekeeping capabilities. Maintaining a reliable military force is in keeping, therefore, with both Austria's interpretation of military neutrality and the ESS requirement that EU members enhance their national forces for eventual contribution according to the European Security and Defense Policy.[120]

Nowadays, when terrorism may be closely related to failed states, organized crime, WMD proliferation, and other major threats, and when peacekeeping operations could turn into conventional war-fighting, it is difficult to predict how the Austrian government would act at different points of time. Such developments would put pressure on Austria's officials and people. They might have to choose between solidarity, morality, and cooperation on the one hand, and neutrality on the other. Even today, the strengthening of the ESDP military dimension and the EU's obvious desire to become a bigger security actor may lead to some sort of "European common defense." If this happens, either there will have to be special arrangements for the neutral states (which will definitely be accompanied by grievances from the allied members) or the latter may have to choose between abolishing either their neutrality or their EU membership.

In sum, though Austria became a neutral state because it had no choice after the end of the Second World War, it took its neutral status seriously and observed the

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[119] Neuhold, "Austria and European Security: The Question of Neutrality," 30.

[120] Gustenau, 65-66.

traditional requirements of neutrality during the entire Cold War. As the USSR began to collapse, however, and the 1990s brought new changes to the international system, the Austrian government reassessed the neutrality conditions and came up with a new approach. The result was a neo-neutrality that was totally compatible with EU rules, which, combined with Austria's EU aspirations and relatively strong economy, allowed Austria to join the organization in 1995.

Ever since, while continuing to maintain its neutral status, Austria contributes to the European Security and Defense Policy (ESDP), although primarily by civilian/diplomatic means. At the same time, it is training and enhancing its defense forces both to protect the country and to prepare for eventual EU peace-support missions. Its neutrality was not a challenge to Austria's EU integration, and its neo-neutral status is currently compatible with EU requirements. However, at times, its neutrality may stand in the way of Austria's full solidarity with other member states. By joining the EU Austria gained many economic benefits, and today no Austrian doubts that EU membership has been good for the country.[121] In today's Europe, where people's welfare is superior to warfare, greater economic strength is Austria's main achievement in the EU, and, in turn, its well established economy can more readily support the security of the EU. Therefore, while neutrality made no difference to its integration process, Austria enhanced its economic position and now feels very comfortable in the EU.

Nonetheless, it is possible that future changes – such as the development of existing threats or an emergence of new Great Powers states – may have an impact on the international system and, consequently, on the EU. This could, in turn, cause a reshaping of the European Security and Defense Policy. If such changes occur, it may be difficult for Austria to defend its neutral status as an EU member. While this may never happen, it is a hypothesis that merits further research, but is not an objective of this thesis.

[121] Anonymous, "Ungrateful Europeans," *The Economist* 285, no. 8556 (2007): 10.

C. EU INTEGRATION OF ALIGNED STATES: LATVIA

> We need to join the EU to live better, but to live at all, we need to join NATO
>
> A Latvian parliamentary, 2002

The European Union (EU) is different from the North Atlantic Treaty Organization (NATO) in many ways. The EU has different specifications and requirements for admission, and, technically, integration into the EU does not require NATO membership. However, in looking at the enlargement process of both organizations after the Cold War, we find that all new Eastern European EU members – Latvia, for example – were previously admitted to NATO. This fact may say that unofficially the way to the EU is via NATO, and in order to analyze this hypothesis we will take a closer look at Latvia's European integration process.

After regaining its independence from the Soviet Union in 1991, the Republic of Latvia immediately launched a program of integration into the "European family" by pledging to join both the EU and NATO at the same time. Interestingly, while working in the direction of both simultaneously throughout its entire integration process, Latvia's leaders' political rhetoric, commitments, and gestures were focused most directly on NATO integration, leaving the EU integration process in the shadow.

That dedication to the NATO process suggests at first glance that NATO integration was the Latvian government's top priority, given that the government believed that NATO membership would directly assist the country to integrate into the EU. This belief turned to be true despite the fact that NATO membership was granted to Latvia only one month earlier than that of the EU.[122] The next section will take a closer look at the Latvian integration process in an attempt to determine whether or not NATO membership actually helps a county gain EU membership.

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[122] Latvia joined NATO in April and the EU in May of 2004. See Julian Lindley-French and Katja Fluckiger, *A Chronology of European Security and Defense 1945-2005* (Geneva: Geneva Center for Security Policy, 2005), 257.

1. Latvia at a Crossroads: The End of the Cold War and the First Steps toward Europe

After the Cold War ended and Latvia regained independence in 1991, its new leadership decided that Latvia must leave its Soviet past behind and integrate into the European Community, which is where Latvians had always thought they belonged. To accomplish this, Latvia had two major goals: integration into the European Union and membership in the North Atlantic Treaty Organization. Both were processes that would reform Latvia's political, economic, and social systems. The dual integration would require many necessary domestic changes in order to fully democratize the new country, develop a competitive liberal market, enhance the independent judicial system, and secure the homeland. It would also give Latvia the protection necessary for further economic development and a chance to become a true contributor to European security.[123] However, while pledging Latvia to integration processes in both organizations comprised "two sides of the same coin,"[124] EU integration was seen as more essential for reshaping Latvia's domestic processes, institutions, and policies, whereas NATO membership was considered more critical for achieving the required level of national security. Given Russia's proximity and the existing fear of an eventual Russian revival, the Latvians' political rhetoric and gestures, as well as their domestic changes and commitments, clearly showed that NATO membership was Latvian leaders' chief priority. Moreover, while conducting a simultaneous reformation process as a step toward EU integration was important, Latvia's main focus was on NATO membership.

2. The Road to NATO: The Political Dimension

In terms of its politics, Latvia's desire to join NATO closely followed its regaining independence. Historically, the difficulties inherent in being a small state caught up in the great powers' political "games" had brought Latvia under Soviet occupation in 1940, under Nazi occupation in 1941, and under renewed occupation by the

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[123] Edmunds Kratins, "Latvia's Share of Foreign Trade with the EU Has Grown to 59%," *NATO's Nations and Partners for Peace,* Military Module (1999): 61.

[124] Stated by Indulis Berzins, Latvian Minister of Foreign Affairs. See Indulis Berzins, "Latvia's Membership: Good for Latvia, Good for NATO," *NATO's Nations and Partners for Peace,* Military Module (1999): 56.

Soviet Union in 1944 that lasted for the rest of the Cold War. These experiences, ingrained in the minds of the Latvian people, resulted in a rush to the West after the collapse of USSR. Traditionally anti-Russian, and given the evidence of Russia's interference in the internal affairs of some former Soviet republics at the beginning of the 1990s,[125] the Latvians' great fear that Russia might stage a "come-back" only increased their pro-NATO tendencies. The government's main focus was on national security, that being the only assurance of the further existence of the Latvian nation.[126]

With a population of only 2.4 million people, nearly 40 percent of whom were Russian-speakers, and thus presumably pro-Russia, inherited from Latvia's Soviet days,[127] a destabilized economy, and a weak military, the possibility of NATO membership must have sounded absurd to external observers at the time. However, Latvian leaders decided to put their efforts primarily into achieving that goal and expressed their firm political commitment to NATO values.

To prove that commitment, the Latvian government maintained an increasingly cool relationship with Russia. Thus, the West could see how Latvian politicians kept further distancing the country from Russia, by condemning the "Soviet military occupation" and constructing a new, democratic society "on the ruins of a totalitarian system."[128] In addition, the government gave automatic citizenship only to those non-Latvians who were born in Latvia before the 1940's Soviet occupation, and their descendants, while imposing a quite difficult process of naturalization, leaving most of the Russian-speaking population without citizenship rights. In the field of education, the government introduced a law that, in state-supported schools, teaching had to be only in

[125] Russia tried to keep influence in the "near-abroad" by supporting separatist movements in newly independent Moldova (Transnistrian conflict), Georgia (Abkhazian and South-Ossetian conflicts) and Azerbaijan (Nagorno-Karabakh conflict).

[126] Fred Weir, "Baltics Step from Russia's Shadow into Western Club," *The Christian Science Monitor*, (20 November 2002): 1.

[127] Weir, 1.

[128] In a speech of the Latvian President. See Vaira Vike-Freiberga "Latvia's Integration Into the Euro-Atlantic Structures: Why, When and How?" *RUSI Journal* 146, nr. 1, (2001): 26.

the Latvian language.[129] Furthermore, the former World War II soldiers who fought on the German side against the Soviets were authorized to conduct certain activities commemorating their lost comrades and uniformed parades.[130]

All of these actions by the Latvian government were received as a brutal insult by both local Russians and the Russian Federation and led to an increase in Russian-Latvian antagonism. There were a number of diplomatic conflicts, such as rhetorical accusations and the mutual expulsion of diplomats accused of espionage, but the greatest uproar occurred when the vice-speaker of Russian Duma (Russian Parliament), Vladimir V. Zhirinovsky, declared that Moscow would not bomb Brussels, but Riga, Tallinn, and Vilnius.[131] Indeed, Russia's reaction and opposition to Latvia's domestic policies and its NATO aspirations were seen as empirical evidence that proved earlier Latvian "theories" of Russia's continuing imperial ambitions. Moscow literally showed the Latvian people that Russia's interests in the Baltic region had not been given up. This "helped" the Latvian populace comprehend that being outside NATO meant falling back into Russia's "sphere of influence."[132] Therefore, the Latvian government reiterated its political aspirations and, using all possible political, diplomatic, and domestic means at its command, clearly signaled to the West, as well as to Russia, which side it was on.

Whereas it antagonized Russia, Latvian officials were fully committed to NATO values. The organization was considered the symbol of European security, a mechanism meant to protect Latvia's path to democratization, institutional reforms, a market economy, and social welfare. Latvia worked hard to make changes in its political, economic, and judicial systems according to NATO standards.[133] It joined NATO's Partnership for Peace Program and the so-called "Vilnius Group" with other NATO-

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[129] Kim Murphy, "Russians Again Foreigners in Latvia," Los Angeles Times, (May 2004): A3.

[130] "Latvian Nazis," http://www.aeronautics.ru/archive/wwii/baltic_nazis/latvia/index2.htm (accessed 18 January 2008).

[131] Murphy, A3.

[132] Atis Lejins, "Why Latvia Wants to Join NATO," *NATO's Nations and Partners for Peace* Military Module, (2001): 13.

[133] Declared by Latvian Speaker of the Saeima (Parliament), Janis Straume, in "Together We Stand: Statements from the Top," *NATO's Nations and Partners for Peace,* Military Module, (2001): 3.

inspired countries and used these forums to enhance PfP cooperation and solidarity and to demonstrate full NATO loyalty and commitment.[134] It supported NATO's new "out-of-area" missions, advocated the great importance of the Trans-Atlantic link, greatly supported the role of the U.S. in Europe, condemned international terrorism, and stated its willingness to support the common anti-terrorist efforts.[135] Latvia continually stressed the importance of a secure Europe and its willingness to fully cooperate with its Western partners and contribute to NATO's defense burden.[136]

Additionally, Latvian leaders listened to NATO experts and lessened their animosity toward Russia. Since any political confrontation between Russia and NATO was inadmissible, Latvian politicians began more often to declare their desire to cooperate with Russia in a constructive and pragmatic way. They recognized the need to cooperate with their Eastern neighbor, especially because a border-delimitation treaty between the two countries had not yet been ratified by Russia, something that was highly desirable if Latvia was to be admitted into NATO.[137] These political approaches to NATO, accompanied by domestic transparency and Russia's imperial attitudes, raised the public support for NATO integration, and two years before the accession about 70 percent of Latvian society (including 33 percent of the Russian-speaking population) was in support of full NATO membership.[138]

3. The Road to NATO: The Military Dimension

In terms of its military, Latvia was not an exception among the post-communist states at the initial stage; it began the process toward NATO membership with great difficulty. The Latvian Armed Forces had to be reformed from scratch because the Soviet

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[134] F. Stephen Larrabee, "Danger and Opportunity in Eastern Europe," *Foreign Affairs* 85, nr. 6, (2006): 117.

[135] Girts Valdis Kristovskis, "The Cornerstone of Latvia Defense Policy," *NATO's Nations and Partners for Peace* 47, nr. 4, (2002): 128.

[136] Vike-Freiberga, 28.

[137] Susan B. Glasser, "Tensions with Russia Propel Baltic States toward NATO," The Washington Post, (October 2002): A 14.

[138] Lejins, 13.

troops destroyed everything that could not be taken to Russia.[139] Thus, at the time Latvia announced its political orientation toward the West and its desire to become a full NATO member, its military was too small, too poorly equipped, and too ill-trained to impress the Western partners. It amounted only to some 4,500 active-duty troops for all three branches – the army, air force, and navy – half of which were conscripts for a one-year term. The army had no tanks and only thirteen armored personnel carriers and some fifty artillery pieces. The navy had thirteen patrol craft and a few mine countermeasures ships, while the air force had no combat aircraft whatsoever. In addition, throughout the 1990s, Latvia's annual military budget averaged $35 million, about 0.6 percent of the country's gross domestic product.[140]

Given the country's limited military capability, the Latvian government knew that, to support a pro-NATO political commitment, urgent military reform was needed. Like other East-European countries seeking NATO membership, for Latvia this was also a very difficult process. The country had first to change from the old Soviet military approach and adapt to NATO standards and then develop a credible and capable military.[141] This was an especially challenging goal because Latvia's transitional economy was weak, making it hard to choose between defense expenditures and important social development programs.

Aware that it was impossible for Latvia to compete with current NATO partners in respect to force size, fire-power, and lethal capabilities, the Latvian military officials decided to focus on mobility, decisiveness, and niche-capabilities such as explosive ordnance disposal (EOD); nuclear, biological and chemical (NBC) detection and decontamination; military police; peace-support and crisis management; and medical teams.[142] They began by adopting a "Swedish–Finnish" model defense concept that

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[139] Weir, 1.

[140] Christopher Bell, "NATO Enlargement: Military Capabilities and Modernization Plans of Follow-on Candidates," *CRS Report for Congress* 98-469F, (15 May 1998): 8.

[141] Larrabee, 117.

[142] Kristovskis, 128.

included the development of small-size rapid reaction units consisting of highly professional troops able to quickly mobilize and perform sudden and decisive attacks.[143]

Their next step was for the Latvian military to participate in joint military projects with Lithuania and Estonia. These three Baltic countries decided on fully mutual cooperation as a means to develop more impressive military capabilities. They began with the formation of a common Baltic battalion (BALBAT). They then formed a joint naval minesweeping squadron (BALTRON), a multinational defense college (BALTDEFCOL), and an air surveillance network (BALTNET) compatible with NATO standards. However, in order to develop its joint and domestic capabilities, Latvia, like the other Baltic States, had to depend initially on foreign military aid. Its military took full advantage of the Partnership for Peace programs as well as military assistance from partner countries. The United States, Germany, Norway, Sweden, Denmark, and Poland were the main donor countries providing expertise, training, education, and equipment in support of Latvia's armed forces.[144]

Additionally, the Latvian government committed to raising its GDP share up to 2 percent for defense to meet NATO's minimal standards. Though Latvia's political leaders recognized the difficulty in implementing this commitment,[145] they reiterated their readiness to contribute to the European security architecture, thereby assuring the Alliance of a gradual increase in defense spending.

Practically speaking, Latvia demonstrated its commitments by joining various peace-support operations. Though not yet a NATO member, Latvia participated under British and Danish commands in the peace-support operations in Bosnia-Herzegovina and Kosovo, while at the same time also contributing to those missions as part of BALBAT.[146] The Baltic Defense College besides teaching Baltics also provided free education and training to military personnel from some partner-countries, for example,

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[143] Bell, 3.

[144] Kristovskis, 128.

[145] In one of her speeches to NATO officials President Vike-Freiberga called the increase of defense spending "a sacrifice." See Vike-Freiberga, 28.

[146] Bell, 3.

Ukraine and Georgia.[147] Later, after the September 11th terrorist attacks in the United States, the Latvian government supported the Global War on Terror by declaring its readiness to assist the U.S. - led operations, "Enduring Freedom" and "Iraqi Freedom."[148]

Despite Latvia's intense political-military attempt to meet NATO standards, some skeptics still argued that that an eventual NATO membership for Latvia, Lithuania, and Estonia was very questionable. They argued that the Baltic countries were still too weak to equitably contribute to NATO's burden and while Latvia needed NATO in order to become a security recipient, its NATO membership would conflict with Alliance interests. The skeptics concluded that NATO did not have strategic interests in the Baltics and could not protect the Baltic states in case of an eventual Russian aggression. Moreover, the Baltic States' memberships in the Alliance would only increase Russia's antagonism, they said, and create an undesired security tension between the West and the East.[149]

However, regardless of what the critics said, Latvia's political and military hard work was rewarded. On 2 April 2004, Latvia, along other six Central and Eastern European countries (Bulgaria, Estonia, Lithuania, Romania, Slovakia and Slovenia), became a full member of the North Atlantic Treaty Organization.[150]

4. Latvia's Benefits from NATO Membership toward European Union Integration

Strictly speaking from an institutional point, Latvia's NATO membership should have had nothing to do with its integration into the EU. However, we reach a different conclusion when we look at the benefits that Latvia derived from its NATO membership.

Both the EU and NATO based their post–Cold War agendas on norm diffusion from the West to the East. Their basic tenets include assistance in establishment of democratic societies, fair state governance, respect for the rule of law, market economies,

147 Kristovskis, 128.

148 Larrabee, 117.

149 For more details see Kent R. Meyer, "US Support for Baltic Members in NATO: What Ends, What Risks?" *Parameters* 30, nr. 4, (2000/2001).

150 Lindley-French and Fluckiger, 257.

and respect for human rights. Their admission requirements for candidate states like Latvia included a set of radical reforms in the states' domestic and foreign policies: changes in their laws to accord with European standards, a total reorganization from their former communist political, economic, and social norms. Therefore, though the EU is more an economic "common space" and NATO is more a military alliance, Latvia's reorganization processes were able to accomplish both EU and NATO basic requirements at the same time. Moreover, the serious approach that Latvian government took to implement Latvia's commitments toward NATO membership could not be omitted in the EU headquarters, especially since the majority of EU member states were also NATO members.

In becoming a full NATO member, Latvia obtained a security guarantee under Article 5 of the Washington Treaty. The security assurance clearly positioned Latvia in Europe, and thus Russia, Latvia's historic enemy, despite its interests in the Baltics and its imperial ambitions, had to accept the fact that Latvia was no longer within Russia's "sphere of influence." This was signaled by Moscow, in effect, acknowledging this new positioning when it finally agreed to ratify a bilateral border treaty in December 2007.[151] Another sign of Latvia's new "European status" is evident in the Russian–Latvian relationship that developed after 2004. Their former diplomatic conflicts came to an end, and the two countries have since maintained purely pragmatic relations based mainly on economic interests. Since Russia valued its important political and economic relations with other major NATO members, it had no choice but to recognize Latvia as a true and equal sovereign state. That change resulted in more foreign investment in the Latvian economy. For example, immediately after Latvia's admission into NATO, the foreign direct investment (FDI) inflow doubled, increasing from $304 million in 2003 to $637 million in 2004.[152] Thus, it proves that the EU knew that the NATO "security blanket" would assure further Latvian economic development, one of the EU's main interests.

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[151] Russian News & Information Agency "RIA Novosti," http://en.rian.ru/world/20071218/92995784.html (accessed 19 January 2008).

[152] Data provided by United Nations Conference on Trade and Development, http://www.unctad.org/sections/dite_dir/docs/wir07_fs_lv_en.pdf (accessed 19 January 2008).

During the development of its military in order to achieve NATO's standards, the Latvian government also declared Latvia's permanent support and commitment to the European Security and Defense Policy.[153] Therefore, the EU officials could clearly see that the results pertaining to the Latvian military would be a benefit to the EU's struggle to become a stronger security actor. In addition to Latvia's troop contribution, the EU could rely on strong political support from this non-neutral country, which was extremely loyal to the West.

In sum, we find that Latvia ultimately succeeded in joining both the European Union and NATO, despite the deep political, economic, and social problems it faced after regaining its independence. Thus, in spite of some skepticism, Latvia achieved its goals by making decisive political commitments and proving the seriousness of its intentions. Though Latvia's military may not have entirely met NATO's requirements and though its economy was going through a difficult transition, Latvia was able to convince the West of its loyalty and sincere desire to be part of a united Europe. Latvia not only demonstrated its willingness to be a full EU and NATO member, but also pushed hard to contribute as much as it could to regional and international security.

While there is no official link between the NATO and the EU integration processes, in looking at the Latvian example, it is evident that the processes are closely connected. The common EU and NATO enlargement agendas enable candidate states to work in two directions at the same time. Latvia, for example, will be just as democratic within NATO as it is in the EU. Additionally, since the majority of EU states are also NATO members, it makes good sense that a country be accepted into both organizations at a relatively similar time. A candidate country like Latvia, especially having an aligned status, could benefit both organizations despite the slight difference in their military dimensions. Both NATO and the EU seem to clearly signal that intentions, commitments and seriousness are much more important than one's real capabilities, and other countries eager to join the "European family" must bear this in mind.

[153] Kristovskis, 128.

D. CONCLUSION

The European Union has developed a comprehensive security approach to five main threats: terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure, and organized crime. It also takes into consideration such destabilizing issues as human rights violations, poverty, immigration, the spread of diseases, etc. The EU considers these threats and challenges interrelated and in order to face them relies on the European Security and Defense Policy (ESDP), which was reinforced in 2003 by the European Security Strategy.

The ESDP does not contain a "common defense" clause and depends on member states' cooperation, contributions, and solidarity whereas the European Security Strategy is based on a combination of civil-military means prioritizing the civilian/diplomatic dimension over the military one. Security interventions are intended to be multilateral and must observe international law stipulations and the UN Charter. Because of the existing threats, even the military missions are expected to have a form of peace-support or crisis-management operations. Such an approach allows neutral states to integrate into the EU and, along with their aligned partners, participate in shaping the European security architecture.

When Austria applied for EU integration, the only issue needing clarification was its neutrality, since otherwise, a democratic, liberal, and economically strong Austria was ready to integrate. Therefore, after reassessing its status of neutrality, Austria was able to integrate into the EU while maintaining a neutrality clause. While supporting the ESDP primarily through civilian means, Austria can also contribute troops, since the existing interventions have a moral, peace-supportive intent. It also continues to maintain a relatively strong military that should be relevant for protection of its sovereignty as well as for contributions to the ESDP. Though critics advocating traditional neutrality may say that by being an EU member Austria has de facto lost its neutral status, post–Cold War changes have been applied to neutrality as well. The new Austrian approach to neutrality is completely compatible with the EU legal principles for the time being; however, if specific changes happen in the international system in the future, and clear belligerents appear, it may press Austria to choose between the EU membership and neutrality.

Latvia, which also had EU integration aspirations after the collapse of the Soviet Union, had a different situation than that of Austria. First of all the country was in a difficult political, economic, social, and military situation at the beginning of the 1990s and, therefore, lacked sufficient resources to accomplish the EU requirements. It thus chose to use its aligned security status and focused on NATO integration. Latvia convinced the West to allow it into European institutions by showing a strong political commitment. It began a "diplomatic" war with Russia and supported NATO and the EU in every possible way, thus demonstrating its total loyalty to the Occident. Additionally, Latvia developed a small but mobile and capable military, which was used to contribute to different peace-support and anti-terror operations. Their political-military alignment to NATO was also noted by the EU, and counting on eventual economic progress after obtaining NATO's security cover, Latvia was admitted to NATO and the EU at the same time.

Thus while neutral Austria could attract the EU with a well-established democratic society, legal bases, and a strong economy, Latvia offered it full political and military alignment and loyalty to the Euro-Atlantic institutions, especially NATO. These two examples illustrate that states theoretically could integrate into the EU regardless of their security strategies. However, in large organizations such as the EU, neutrality can be an advantage; therefore, neutral countries need to be of a relatively high value to the organization in order to be accepted. As Austria proves, states with a high degree of multilateral capabilities can fairly easy integrate into the EU, especially in absence of any protesting belligerents. It is, however, questionable whether weaker states can do the same. As Latvia illustrates, countries with a lower level of development may need higher efforts in order to be considered for EU accession.

IV. THE KEY ACTORS INFLUENCING THE REPUBLIC OF MOLDOVA'S EU INTEGRATION PROCESS: REALITIES AND OPTIONS

A. INTRODUCTION

Ultimately, the EU has the sole power to either accept or reject Moldova's membership; thus, in theory, Brussels is the sole authoritative source with which the Moldovan government should be concerned. It is Moldova and the EU, as bilateral partners, which must agree on the terms, conditions, and process of the accession. However, in this twenty-first-century, globalized world, there are other players that can enable or obstruct political-economic processes. And in Moldova's attempt at EU membership, the Russian Federation is also a key actor.

In the area that was formerly the Soviet Union, the ambitious Russian Federation continues to have a significant effect on the fate of its former "partners," and Moldova is no exception. After the dissolution of the Soviet empire, Moldova became a victim of Russia's brutal foreign policy; and it has suffered ever since from Russia's hegemonic ambitions which are aimed at keeping Moldova within its sphere of influence.

This chapter will evaluate the views, attitudes, and policies of the EU and Russia toward Moldova's EU membership aspirations and analyze how these two actors' positions have affected Moldova's progress so far. Because Russia acts to obstruct the process, its involvement will be analyzed first. This chronology will provide a foundation for understanding Moldovan reality under Russian dominance and the reasons for its actions. It is not meant, however, as a defense of the Moldovan government, which is solely responsible for its own mistakes during this process.

The chapter will conclude with a discussion of the actual circumstances in Moldova, using the lessons learned by Austria and Latvia in their EU integration processes (described in Chapter III), while taking into account the EU's and Russia's positions. We will then describe the options that Moldova has in its attempt to integrate into the EU as fast as possible and at the lowest possible cost.

B. RUSSIA'S POLICY TOWARD MOLDOVA AND ITS IMPACT ON THE MOLDOVAN EUROPEAN UNION INTEGRATION PROCESS

1. Russia and Moldova: The General Context

Officially, the relations between Russia and the Republic of Moldova have been exercised according to basic international principles. Both countries are, by right, both sovereign and independent and, since the fall of the Soviet Union, have had good bilateral relations, maintained diplomatic missions in the partner state, signed numerous treaties and agreements, and are part of the Russian-led Commonwealth of Independent States (CIS). Officials of both countries conduct both official and unofficial visits, send and receive congratulating letters on different occasions, and say nice things about each other. Moreover, Moldova's leaders consider Russia a strategic political and economic partner and, in their 2001 pre-election campaign, the ruling Communist Party even pledged to join the Russia–Belarus "union."[154] Russia supports the sovereignty, independence, and integrity of the Moldovan state and its neutral strategic status and European integration aspirations. At least, that is what the Moldovan President, Vladimir Voronin, believes.[155]

However, this is the "official" public policy. In reality, Russia's Moldovan policy is based on its imperial ambitions and its intent to keep Moldova within the Russian "sphere of influence." After the dissolution of the USSR and the shock of its lost empire, Russia initiated a new policy toward some of its former "sister-republics," which the Kremlin calls the "near-abroad." Thus, Moscow sought to keep its strategic interest in these regions. Though it lost its global importance almost "overnight," the Kremlin attempted to at least impose its hegemony and importance on the post-communist states and on the former USSR states in particular. In doing so, it has used both soft and coercive measures to ensure greater control over the countries of interest. Moldova was no exception. In fact, it was the first country in which Russia used its most coercive tool,

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[154] BBC News, "Moldova Ready for Russia Belarus Union," (17 April 2001), http://news.bbc.co.uk/2/hi/europe/1281492.stm (accessed 5 February 2008).

[155] From the interview of the Moldovan President Vladimir Vorinin to "EuroNews," http://www.euronews.net/index.php?page=interview&article=459585&lng=1 (accessed 19 February 2008).

the Russian military.[156] Ever since, Russia has used two primary means to ensure its influence in Moldova: Moldova's Transnistrian conflict and its economic dependence.

2. Russia and Moldova's Transnistrian Conflict

As we showed in Chapter II, in 1992, Russia got involved in Moldova's internal affairs by supporting militarily the rebellion in Moldova's Transnistrian region. It was the first Russian "out of area" military intervention to test the legitimacy of Russian regional power, and later proved to be the turning point in Russian post-Soviet foreign policy.[157] After escalating the conflict, Russia "negotiated" a peace agreement, based on "Russian terms," with the Moldovan government, thereby effecting a de facto legitimization both of Transnistria as a "Russian satellite" and of the Russian military presence in Moldova.

Ever since, the Russian Federation has supported the Transnistrian regime – politically, economically, and militarily. To show their support for the region, Russian political leaders have conducted visits to Transnistria, though without the Moldovan government's consent.[158] Russia supplies the rebel area with cheap energy, makes special economic arrangements for the region, and provides large amounts of aid. Russian and Transnistrian political parties now have mutual cooperation agreements, and a large percent of the Transnistrian populace has been granted Russian citizenship.[159] Russia's extensive support has been seriously criticized by the international community, which raises the question: Why would Russia risk its image in the international arena for Transnistria? In this regard, it is worth reiterating that Russia continues to have strategic interests in Moldova, which it has never denied. Among its various incentives for supporting Transnistria, two Russian interests predominate.

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[156] Lynch, 13.

[157] As A. Migranyan, one of Yeltsin foreign policy advisers, afterwards admitted "Western failure to challenge Russian intervention in Moldova in mid-1992 – when Russian policy was considerable disarray – was a turning point in Russia's foreign policy, as it destroyed the liberal Russian argument that Russia would pay a price for violating accepted principles of good conduct." For more details, see Lynch, 12-14.

[158] King, 112.

[159] OxResearch, "Moldova: Standoff no Closer to Resolution," *Oxford Analytica,* (2000):1, http://libproxy.nps.edu/login?url=http://proquest.umi.com.libproxy.nps.edu/pqdweb?did=551284651&sid=3&Fmt=3&clientId=11969&RQT=309&VName=PQD (accessed 7 February 2008).

One concerns Moldova's geographic position and the North Atlantic Treaty Organization's (NATO) enlargement to the East of the European continent since the end of the Cold War. After its loss of control over Central and Eastern European countries in the late 1980s, Russia saw how the new political leaders in those states rushed to seek NATO membership. When the first post–Cold War NATO enlargement occurred in 1999, Russia had good reason to believe that the process would continue and was not "disappointed" when seven more countries joined the alliance in 2004.[160] NATO had already penetrated the former USSR with its admittance of Estonia, Latvia, and Lithuania. Thus, the Kremlin openly expressed its grave concern about NATO's enlargement,[161] and the incentives for retaining control of remote areas far from its borders increased considerably.

Consequently, Russia declared that the NATO expansion was a threat to its national security. Traditionally, Russia had located its defenses as far as possible from its borders. After the Cold War, therefore, it would have preferred at least a circle of nonaligned states around its frontiers.[162] This possibility vanished: NATO was already at its borders. Thus, the Kremlin attempted to hold onto whatever control over territories that it could.

The conflict in Transnistria had various causes, and there were various options for settling it if it had not suited Russia's purposes to maintain the problem. While a continuous armed conflict was undesirable for Russia, a total settlement was not an option either. The problem had to be prolonged because then a cheap and legitimate Russian political and military presence would be required in the region. By maintaining a peaceful antagonism between Moldova and Transnistria, Russia managed to continue its military control of the region and achieve a "moral" peacekeeping status in the eyes of the international community. Moreover, according to the conflict resolution format "5 +

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[160] Xia Yishan, "NATO Moves Further East," *Beijing Review* 47, no. 17 (2004): 14.

[161] Stephen White, Ian McAllister, Margot Light and John Lowenhardt, "A European or a Slavic Choice? Foreign Policy and Public Attitudes in Post-Soviet Europe," *Europe-Asia Studies* 54, no. 2, (2002): 185.

[162] Lynch, 18.

2,"[163] Russia would be the main power in a conflict settlement. It could solve the problem when and how it wants, leaving little chance for the other actors to get involved: a stalemate that gave the green light for the implementation of Russian plans in the region.

Therefore, by keeping its troops in Transnistria Moscow tried to stop an eventual expansion of NATO in a South-Eastern European direction. Especially taking into account Ukraine's and Georgia's recent intentions to join the alliance, Russia basically reserved itself an island where it could later increase its military presence in case of necessity. Given the loyalty of Transnistria and its insubordination to Moldova's central authorities, it would indeed be much easier, therefore, for Russia to enhance its military presence in Transnistria rather than attempting to put its forces in a neutral Moldova.

Transnistria's economic status was another reason that Russian wanted to keep control of the region: it holds approximately one third of Moldova's heavy industry. Its freedom from central control enables Transnistria to produce and trade according to its own "norms." Known as a "Black hole in Europe," the region has been a "safe heaven" for illegal money laundering, criminal business, drugs and human trafficking, and other illicit activities that provide income for certain people.[164] Additionally, most Transnistrian businesses are owned by influential people from Russia, and because this ownership was achieved during unlawful "privatization" in the region, it is considered by Moldovan authorities as illegal property. In case of a conflict resolution and Moldova's reunification, the rights of business owners in Transnistria risk being lost. Thus, there are enough influential individuals who successfully lobby for Transnistrian support in

[163] In the 5+2 conflict settlement process, the five permanent members are: the former belligerents Moldova and Transnistria, along with the guarantors - Organization for Security and Cooperation in Europe (OSCE), the Russian Federation and Ukraine; plus two observers: the United States of America and the European Union.

[164] Steven Woehrel, "Moldova: Background and U.S. Policy," *CRS Report for Congress* RS 21981, (2005): 2.

Russian political circles. Their personal economic interests in Transnistria are so important to some individuals in Russia that this has been included as an official issue on the negotiating agenda between Moscow and Chisinau.[165]

These are the two primary reasons that Russia apparently considers more than enough to ignore the numerous Moldovan appeals for Russian military withdrawal. They also appear to be sufficient reasons for Moscow to disregard international requests to observe international law and respect Moldova's independence and sovereignty. After all, why should the Russians leave? With its military on the ground and its people in all branches of the government, the economic sector, and the security services, the Kremlin has complete control of Transnistria. Moreover, Moscow does it so "successfully" that it is supported by the local population and, of course, by the small number of individuals who "officially" hold power and fill their pockets from the illegal activities in this problematic area. By this norm-breaking behavior, Russia tests the West's patience by committing violations of democratic values under its very nose.[166]

3. Russia's View on Moldova's Permanent Neutrality

As we said in Chapter II, some analysts believe that Moldova's neutral status was imposed by Russia in 1992 in order to create a buffer between the emerging pro-NATO, so-called "New Europe," states and Russia's borders. Whether this is true or not, the question of Moldova's permanent neutrality seems to be very important to the Russian Federation. Just as in the case of Austria in 1955, it appears that Russia is the country most interested in Moldova's neutrality, more interested even than Moldova itself, and perhaps it has reasons to be.

Historically, Russia has tried to organize its defenses as far as possible from its geographic borders. This strategy was used during the time of Tsarist Russia, during the Soviet time, and the time since the fall of the USSR is no exception. As any country with

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[165] One of the obligations the Moldovan government committed to execute in return for Moscow's military withdrawal is recognizing the legacy of Russian-owned business in Transnistria. See Vladimir Socor, "Voronin's Six-Point Plan to Putin: a Calculated Risk," 2.

[166] Edward Lucas, "The Black Hole that Ate Moldova," *Euro Journal*, (3 May 2007): http://eurojournal.org/more.php?id=229_0_1_0_M5, 1, (accessed 18 February 2008).

hegemonic experience, Russia definitely prefers to have the territories on its frontiers occupied, suzerain, and loyal, or at least neutral. Aware of its bad reputation after the end of the Cold War because of its poor treatment of its former allies, the Kremlin preferred to have neutral, nonaligned, and/or militarily weak states in Central and Eastern Europe.[167] At the same time, it continued to try to find allies in the neighborhood. And while gaining the loyalty of ex-Soviet republics such as Belarus, Armenia, Kazakhstan, Kirgizstan, and Tajikistan, it has never obtained a favorable opinion from Moldova. After allowing the Moldovans to refuse to sign the CIS Collective Security Treaty on a neutral basis,[168] it was obvious that the Kremlin agreed to and supported a neutral Moldova. Probably Moscow had learned the lessons of the Cold War. Instead of forcibly aligning the anti-Russian Moldova to it, the Kremlin believed that a neutral Moldova would better fit Russia's security interests. An ally that did not really want an alliance with Russia would require greater resources for keeping the status quo. In addition, it could realign with the West after any election, while a neutral Moldova would refrain from joining any alliance on its own, at no cost to Moscow. Therefore, through Russian lenses only a neutral Moldova would provide guarantees that NATO would not expand in that part of Europe.

Acknowledging Russia's interest in Moldova, it appears that it will have no serious concerns, since Moldova is already a neutral country. The Kremlin, however, appears not to trust the Moldovan willingness to keep this security status, and it probably has reasons not to do so. In Chapter II we explained how Moldova's government has failed to implement constitutional stipulations of neutrality which would make the country de facto neutral. So far, the actions of the Moldovan authorities have demonstrated that they do not take seriously its neutrality and are only temporarily maintaining this strategic status.

Moldova is not neutral in its foreign policy. It has committed troops to the military campaign in Iraq and is an old member of the NATO Partnership for Peace (PfP) program, having signed an Individual Partnership Action Plan (IPAP) in 2006. Moreover,

[167] Lynch, 18.

[168] Marandici, 2.

in 2007, NATO opened an information and documentation center in Chisinau, which is meant to familiarize the Moldovan public with the security agenda of the North-Atlantic alliance.[169] Russia, which looks at neutrality more in classical terms, is concerned with the approach to that status taken by Moldova, especially because all the "violations" are in favor of the West, with an evident stress on NATO. Moreover, the fact that the government has not kept the Moldovan public informed and educated on security matters[170] may signal that the political elites do not want public support to develop for neutrality. If this is the case, then Russia must conclude that the Moldovan officials do not want the populace to oppose an eventual abolishment of the neutral status. Moldova's European Union integration intentions vis-à-vis the "EU–NATO tandem" stereotype and the pro-Western orientation of the majority of the Moldovan public only enhance Russia's suspicions regarding the reality of Moldovan neutrality. Therefore, to keep Moldova within its orbit, Russia has reduced the question of Moldova's permanent neutrality to two main powerful Russian leverages: the Transnistrian conflict and Russia's economic relations with Moldova.

a. The Transnistrian "Tool" for Ensuring Moldovan Neutrality

While Moldova's neutrality is the main assurance of Russia's influence, Russia uses the power of its involvement in the Transnistrian issue to ensure that Moldova's neutral status is according to Russian "standards." Moldova's permanent neutrality is the main condition for the Russian troops' withdrawal from Transnistria, and Moldova believes only the Russian assistance in settling the problem will lead to the country's reintegration. The Kremlin makes it clear that it will not accept Moldova's current status of neutrality as a condition for ending the conflict: it seeks "guarantied

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[169] NATO Official Website, "Information and Documentation Centre on NATO Opens in Moldova," http://www.nato.int/docu/update/2007/10-october/e1003c.html (accessed 11 February 2008).

[170] NATO Parliamentary Assembly Website, "Moldova and the Euro-Atlantic Institutions: Bridging the Gap," *The 64th Rose-Roth Seminar,* (Chisinau, Moldova), http://www.nato-pa.int/default.asp?SHORTCUT=1085 (accessed 21 February 2008).

neutrality."[171] Only real guaranties that Moldova will not abolish this status – and thus join NATO – would make Russia pull out its troops and facilitate the conflict's resolution.

The reality of the Transnistrian conflict leaves no doubt that the key to its resolution lies only in Moscow. If before, Russia played only a tacit role in this problem, lately the involved actors "play" openly. Especially by its latest position on the Kosovo debate[172] and the Conventional Forces in Europe (CFE) Treaty,[173] Russia no longer denies its extreme interest and influence in Transnistria. As mentioned, Moscow controls the area entirely, has troops on the ground, and is the main "guarantor" in the "peace-settlement process." The fact that for seventeen years it has ignored the international community's calls to withdraw its troops and its support of the Transnistrian regime shows that no international actor is able to force this on Russia. Therefore, the Moldovan government apparently has no chance of solving the Transnistrian conflict without taking into account Moscow's interests.[174]

This position has been repeatedly stated and reiterated by both Moldovan and European officials. When the Communist party came into power in Moldova in 2001, it began bilateral negotiations with the Kremlin outside the official conflict resolution format. In 2007 alone, the presidents of Russia and Moldova met four times in an attempt to reach a compromise.[175] But since Russia has literally everything it wants in Transnistria, Moldova's task is to come up with something new that can be offered in exchange for Moscow's willingness to solve the Transnistrian issue. Neutrality is one of

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[171] Socor, "Voronin's Six-Point Plan to Putin: a Calculated Risk," 2.

[172] The Kremlin repeatedly stated that an eventual unilateral recognition of Kosovo's independence would be a precedent for other conflicts such as Transnistria; therefore, signaling a possible reciprocity to the West by recognizing Transnistrian independence.

[173] Refusing to withdrawal the Russian troops from Transnistria, on November 30, 2007, the Russian President Vladimir Putin has signed into law legislation suspending Russia's participation in the Conventional Forces in Europe treaty - an agreement considered to be a cornerstone of European security.

[174] Mart Laar, "Escape from Moscow," (10 June 2007): http://commentisfree.guardian.co.uk/mart_laar/2007/06/escape_from_moscow.html (accessed 12 February 2008).

[175] Vladimir Socor, "Putin – Voronin Farewell: an Anti-Climactic Coda," *Eurasia Daily Monitor* 5, no. 15 (2008), http://www.jamestown.org/edm/article.php?article_id=2372748 (accessed 13 February 2008).

the few possible options. And lately it seems that the neutral status has changed from being merely a Moldovan security strategy to being a "trademark" for Transnistrian conflict resolution where a "guarantied" neutral status for Moldova is a high priority for Russia.

b. Economic Dependence as a Tool for Ensuring Moldova's Neutrality

Today, Moldova is totally dependent economically on Russia. This dependency began in the early 1990s, immediately after Moldova regained its independence. Either laziness or the inability of the Moldovan elite to reorient Moldovan trade westwards led to its growing dependence on markets within the territory of the former Soviet Union. At the time, it was possibly the best decision, since economic channels between Moldova and its ex–Soviet partners were already established. But while CIS markets were the best solution during that initial period, the central government failed to conduct effective reforms and gradually change the economic vector toward the West. This was necessary at least for a diversification and balancing of trade in order to avoid an eventual dependence on a specific market. The Moldovan elite, however, failed to do so, and by 1998, 72 percent of Moldovan exports were CIS oriented, with 62 percent in Russia only.[176] The lesson about the consequences of such dependence should have been learned in 1998 when Russia, though unwillingly, almost bankrupted Moldova. Because of the so-called "Russian financial crises" at the time the Moldovan national currency fell considerably and exports and imports declined, while cash for already exported goods was not received. The Russian crises also doubled Moldova's foreign debt in terms of its gross domestic product (GDP) and created a great deal of frustration over the Moldovan economy.[177]

The lesson was not taken seriously, however, and Moldova's economic dependence continued. This time Moscow acted consciously, imposing in March 2006 a ban on Moldovan agricultural exports, especially on alcoholic products. Interestingly, the

[176] Ronnas and Orlova, 38-39.

[177] Robert H. Reid, "Moldova and its Economy Trapped in Eastern European Deep-Freeze," *Los Angeles Times*, (5 March 2000): 35.

sanctions declared by the Russians on a purely economic basis[178] came after a series of political moves that illustrated a more serious Moldovan pro-Western commitment. First, it was the Moldovan refusal in 2003 to sign the so-called "Kozak Memorandum," a document designed by Moscow to resolve the Transnistrian conflict according to the Russian point of view.[179] Then, a little later that year, the Moldovan government intensified its rhetoric regarding its intention to integrate into the European Union, followed by the signing of the EU-Moldova European Neighborhood Policy (ENP) Action Plan.[180] Also, in 2006, when the ban was imposed, Moldova signed an Individual Partnership Action Plan (IPAP) with NATO[181] and for the first time conducted a military NATO/PfP exercise, Cooperative Longbow/Lancer 2006, on its own territory.[182]

Another cause of Moldova's economic dependence on Russia is its lack of energy sources, which means it is dependent on Russia's oil, gas, and coal resources. Throughout the sixteen-year-period of its independence, Moldova has failed to develop reliable energy resources, and has been forced, therefore, to accept Russian conditions for its energy imports. Being economically weak, Moldova cannot afford real-market prices for Russian gas like other European countries. Instead, it must negotiate lower prices with Moscow, with a presumably negative political effect for Moldova. Additionally, its inability to pay its bills on time to the largest Russian state-owned energy company, Gasprom, has forced Moldovan officials to appeal to the barter trade, offering shares of key Moldovan state-owned enterprises to the Russian giant. This course of action gradually gave Gasprom control of the main Moldovan thermo-energetic agent,

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[178] Official Moscow stated that the ban on Moldovan wines was imposed because the Russian sanitary authorities detected the presence of some dangerous pesticides in it and promised the ban to be lifted as the wine quality improved.

[179] Alexey K. Pushkov, "Missed Connections," *The National Interest*, no. 89, (2007): 52.

[180] Commission of the European Communities Website, "ENP Progress Report: Moldova," *Commission Staff Working Document SEC (2006),* no. 1506/2, (Brussels, 4 December 2006): 2. http://ec.europa.eu/world/enp/pdf/sec06_1506-2_en.pdf (accessed 21 February 2008).

[181] "NATO and Moldova Intensify Cooperation," http://www.nato.int/docu/update/2006/05-may/e0519a.htm (accessed 17 February 2008).

[182] "NATO: Cooperative Longbow/Lancer 2006," http://www.noticias.info/Archivo/2006/200609/20060913/20060913_218860.shtm (accessed 19 February 2008).

Moldovagaz.[183] By 2000, this approach had almost turned Moldova into a voluntary suzerainty, when the then prime minister, Braghis, "suggested to the Russians the idea of leasing a military base in Transnistria in exchange for free gas supplies."[184] Though an official legalization of Russian troops in Moldova was avoided, a large share of the country's economy is now owned legally by different Russian economic agents. The government, however, "sells" this reality to the Moldovan public by calling Russia "Moldova's biggest investor."[185]

For economic reasons, there are enough Russian interest groups that prefer the status quo in Moldova, and keeping Moldova neutral is insurance against the strict European laws and regulations. By launching a so-called "wine war," Moscow tried empirically to test the hypothesis of Moldova's dependency on Russia. This theory turned out to be right: the Moldovan government had no better alternative than to beg Moscow to lift the ban. Given those circumstances, it is hard to imagine an equal relation between the two countries, when Moscow has all the power to set the "rules of the game," thus forcing the Moldovan elite to accept them.

In sum, we can conclude that a permanent status of neutrality for Moldova is extremely important to Russia. Having its own considerable interest in the region, Russia uses its political, economic, and military leverage to keep Moldova as "neutral" as possible. The Transnistrian conflict and Russia's economic leverage are used to keep Moldova within the Russian sphere of influence. Moldova's desire to solve the Transnistrian stalemate places the country in a very difficult position in the negotiation process with Russia, since there is little left that would interest the latter.

This path of negotiation could lead the Moldovan officials into a Russian–Transnistrian trap. And while trying to reintegrate the country, the Chisinau leaders may make Moldova a "hostage" of Transnistrian conflict resolution. This is because, in

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[183] Federal Research Division, *Belarus and Moldova: Country Studies*, (Washington, D.C.: U.S. Government Printing Office, 1995), 139.

[184] Paul D. Quinlan, "Moldova under Lucinschi," *Demokratizatsiya* 10, (Winter 2002): 92.

[185] See L.V. Fokina, "Economic Cooperation between Russian Regions and Moldova," *Problems of Economic Transition* 47, no. 12, (2005): 80-86.

Russian terms, the neutrality guaranties shall be granted either internationally by powerful actors in the region or internally by giving veto powers to Transnistria in the future reunited Moldovan political process. In both cases Russia would reserve the possibility to control Moldova's policy. In the first case, Russia would have the right to get involved in Moldova's security affairs as one of the "guarantors"; while in the second, it could veto, through Transnistria, any central decision that did not serve its interests.[186]

No doubt even in a reintegrated Moldova, Russia will continue to control its Transnistrian "satellite." In that case, Russia will basically restrict Moldova's ability to conduct its own internal, foreign and defense policy and, from controlling only Transnistria today, it may be able to control the entire country of Moldova in the future.

Though officially Russia is concerned only with NATO's eastward expansion and does not mind Moldova's intentions of joining the EU, Russia's traditionally holistic view of the West and the high level of pressure on Moldova's guaranteed neutrality should concern Moldovan officials. Endorsing a neutrality policy according to Russian desires may distance Moldova from the EU; historically, the West and Russia have not been able to operate in the same region. The Russian presence in Transnistria has maintained Moldova's unstable image in Europe, thus keeping away EU partners and investors. It has facilitated its low economic level, political immaturity, and unattractiveness. Russia literally blackmails Moldova with the Transnistrian problem and uses it as its main tool for keeping Moldova under its influence. By joining the EU Moldova would have to obey the EU laws, rules, and policies. It would have to follow the EU political, economic, and security vectors. It would have to stick to the solidarity clause and serve the Union's interests and values, which are often different from those of Russia. Today, having spent billions to ensure its control over Moldova, why would Russia change this? Russia does not trust Moldova's neutrality, but why should Moldova believe in the effectiveness of the model of neutrality suggested by Russia? All in all, we

[186] Socor, "Voronin's Six-Point Plan to Putin: a Calculated Risk," 2.

might conclude that by attempting to solve its problems according to the Russian recipe, instead of becoming a true European country, Moldova risks being dragged down to the Transnistrian level.[187]

C. THE EUROPEAN UNION'S VISION VS. MOLDOVA'S INTEGRATION INTENTIONS

1. Moldova and the European Union: Historical Background

Throughout their history, the relationship between the European Union and Moldova has been a series of ups and downs. With the end of the Cold War, many former Communist countries viewed the European Union as a welcome alternative to their dark past. Immediately after regaining its independence, Moldova had many incentives for reorienting to the West, especially after being struck by Russia via the Transnistrian issue. The country was newly independent, it had just experienced a military conflict, it had been occupied militarily by Russia, and it had de facto lost of a portion of its territory. Logically speaking, at the beginning of the 1990s, Moldova had possibly more reasons than all the other ex-Soviet countries to seek European integration. The EU, however, had remained silent during the Transnistrian crises and along with other Western institutions allowed Russia's aggression in Moldova in 1992. This left little room for trust in the eyes of the Moldovan people. But Moldova had little other choice: though not highly reliable, in contrast to Russia, the EU at least did not keep undesired military troops in Moldova. Thus, the Moldovan officials began to look for closer relations with the EU.

On 28 November 1994, Moldova signed a Partnership and Cooperation Agreement (PCA) with the EU, in which Moldova committed to conduct reforms toward democratization, market liberalization, judicial system enhancement, and domestic institutional transformations.[188] In 1995, Moldova was the first ex-Soviet state to join the

[187] Lucas, 1.

[188] Ion Stavila, "Moldova between East and West: a Paradigm of Foreign Affairs," in *The EU & Moldova: On a Fault-Line of Europe,* ed. Ann Lewis (London, UK: Federal Trust for Education and Research, 2004), 129.

Council of Europe,[189] and it continued to seek other frameworks for tightening its bilateral relations with the EU. In Moldova, these early steps were believed to be the foundation for an eventual Moldova's EU accession, especially after the first post–Cold War EU enlargement wave in 1995. The EU's announced intention to incorporate new members and the quick incorporation of the neutral states in 1995 might have led the Moldovan government to the impression that a simple willingness could be enough to bring a state into the EU.

A simple desire to access the attractive European "club of the rich" was not enough, however. In this regard, Russia could be blamed for pressing the Moldovan government to join the Commonwealth of Independent States (CIS), thus distancing the country from the EU, but a closer look at the developing EU-Moldova framework suggests there were other reasons as well.[190] The EU lost trust in Moldova's true "European choice" largely because of Moldova's "double-standard" policy toward Russia and the West. Even more important were Moldova's weak practical achievements on its commitments to the EU. It is also important to recall here that, at the time Moldova had achieved a high level of political and economic partnership with Russia but was very slow in domestic liberal reforms, while its pro-Western course was mainly rhetorical.

The economic crises in Russia in 1998 and their impact on the Moldovan economy alerted some Moldovan politicians, however, to the fact that, at least in terms of economic stability, Russia was not a reliable partner. As a result, Chisinau began to seek alternative routes to the already disappointed European Union.[191] The initial goal was to become a full member of the Stability Pact for South Eastern Europe (SPSEE), most of whose members were candidates for EU accession. This initiative seemed a good idea, since membership in SPSEE would change Moldova's status from a CIS country to a

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[189] Marius Vahl, "The EU and Moldova: a Neglected Relationship," in *The EU & Moldova: On a Fault-Line of Europe,* ed. Ann Lewis (London, UK: Federal Trust for Education and Research, 2004), 173.

[190] Though membership in the CIS may be thought to have obstructed the Moldovan EU integration process, in reality the economic relations Moldova conducts with other CIS members are based on purely bilateral free trade agreements. Therefore, CIS as a centralized organization does not impede Moldova's Europeanization. See Claus Neurirch, "Moldova's Eastern Dimension," in *The EU & Moldova: On a Fault-Line of Europe,* ed. Ann Lewis (London, UK: Federal Trust for Education and Research, 2004), 133-142.

[191] Stavila, 130.

South Eastern European one. The European "brand" was needed in order to cut its association with Russia and thus gain more support from EU member states. If the plan worked, Moldova could use SPSEE as a link to eventual acceptance as a candidate for the Stabilization and Association Process (SAP) and thus possibly an associate EU candidate status, which would have brought the country much closer to eventual EU membership.[192]

However, the political crises and radical changes of Moldova's government during 1999–2000 prevented Moldova from fully achieving its earlier goals.[193] The new Moldovan communist government's antagonism to Moldova's "Europeanization" was naturally not greeted with excitement by the West. Therefore, despite the fact that Moldova succeeded in becoming a full member of the SPSEE in June 2001, in contrast to the Baltic and Balkan states, its application to the SAP process was denied.[194] This was not only a disappointing result for Chisinau's earlier expectations, but also Europe had not expected the Moldovan public to elect a communist government. Thus, the Communist Party election in Moldova initiated a phase of cooler relations between Moldova and the EU.

For the next few years, the EU could only watch the developments in Moldova, which, under communist rule, were intended to forge a closer friendship with Russia. Nonetheless, even the communists were disappointed when Moldova was not invited to be part of the Russian-led Euro-Asian Economic Community (EAEC) and the Economic Free Trade Agreement (EFTA) in 2002 and 2003, respectively. Consequently, in 2003,

[192] Vahl, 177.

[193] Within this period of time the Moldovan Parliament changed the state's status from "Presidential" into a "Parliamentary" republic, a move that dissolved the ruling "Alliance of Democratic Forces" which was behind the pro-EU course.

[194] Vahl, 175-176.

after the CIS summit in Yalta, the President of Moldova called CIS a "distrustful, ineffective and unstable club of states" and announced Moldova's irreversible vector toward European Union integration.[195]

2. The European Union's Neighborhood Policy: Effects in Moldova

In 2003, the European Union launched a new initiative, the European Neighborhood Policy (ENP), a plan that was meant to create special relations with neighboring states in order to avoid the creation of any barriers, mistrust, or confusion between the EU and its eastern and Mediterranean neighbors.[196] The policy aimed at facilitating the promotion of EU principles, norms, and values outside the Union's borders. In exchange for simplified political and economic relations and financial aid, the EU's neighboring countries were basically requested to conduct domestic reforms that would enhance their political, economic, and judicial systems. This new policy appeared to be beneficial to the EU and to its neighbors at the same time. According to its security and defense policy, the neighboring states could use the EU's funds and support for their own development while the Union would obtain a 'belt' of politically, economically, and socially stable countries. Given these basics, according to which everyone is supposed to gain, the assumption is that there will be satisfaction on both sides. The reality proves to be slightly different, however.

One of the main negative issues that some neighboring states find in the European Neighborhood Policy is that it does not promise EU membership. The Republic of Moldova is one of those countries. Though in 2003 Moldova made a radical change in its foreign policy and has reiterated its deep desire to become a full member of the EU, such a future has never been promised by the EU officials. But neither has an eventual EU membership been denied to Moldova. As a result, a noticeable gap was created between

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[195] Igor Munteanu, "Privileged by EU/NATO Neighborhoods: Moldova's Commitments towards Integration," *South-East Europe Review* 2, (2006), 131, http://www.ceeol.com/aspx/getdocument.aspx?logid=5&id=C5C8FDB4-1828-41B3-8687-F88FE36FC916, (accessed 2 March 2008).

[196] Michael Leigh, "The EU's Neighborhood Policy," in *The Strategic Implications of European Union Enlargement*, ed. Esther Brimmer and Stefan Frohlich (Washington, D.C.: Center for Transatlantic Relations, Johns Hopkins University, 2005), 101.

Moldova's and the EU's desires and abilities. Nonetheless, EU officials have warmly welcomed Moldova's initiative for integrating into the EU and promised to assist the country to advance toward EU standards.

The EU supports Moldova's sovereignty and territorial integrity according to international law and Moldova's neutral status; thus it condemns the presence of Russian troops on Moldovan soil. The EU believes that the unsettled Transnistrian conflict is the main obstacle to Moldova's development and a challenge to its strategic pro-European direction. Therefore, it declared that it was ready to assist Moldova in its European transformation process. Probably because of its awareness of Moldova's difficult situation under Russian pressures, the EU does not say much about its interest in Moldova's military capabilities under the European Security and Defense Policy (ESDP). In regard to the Transnistrian problem, however, it does stress the need for a secure environment.

Therefore, in February 2005, after intensified bilateral negotiations, the two parties signed the EU–Moldova European Neighborhood Policy Action Plan which commits the EU to assisting Moldova's development efforts.[197] The action plan was intended to be operable for a period of three years, during which the Moldovan government was to make a vast number of political, economic, and social reforms under the EU supervision. Using this new framework, Moldova hoped for special economic relations with the EU, the Union's assistance in resolving the Transnistrian issue, and facilitation of the freedom-of-movement preferences of the Moldovan people within EU territories. While some say that the EU–Moldova ENP Action Plan is too vague and does not stipulate clear "rewards" for conducting domestic reforms,[198] the plan is a unique

[197] Hiski Haukkala, "The EU, Russia and the European Neighborhood Policy: The Case of Moldova," *The Finnish Institute of International Affairs*, (12 April 2005), 2-3, http://www.fornet.info/documents/FORNET%20Plenary%2005%20Moldova%20Backgroundpaper.pdf, (accessed 28 February 2008).

[198] See Nicu Popescu, "Europeanization and Conflict Resolution: a View from Moldova," *Centre for European Studies in Chisinau (Moldova),* http://www.ecmi.de/jemie/download/1-2004Comment02.pdf, (accessed 15 February 2008).

chance for Moldova to demonstrate its change of mind and its eagerness to become a true European state. After so many mistakes in the past Moldova is in no position to choose; it now has to regain the EU's trust if it is to have a place within the EU's borders.

a. ENP Benefits: The Political Dimension

Disregarding the historic failures of Moldovan governments to implement their commitments and overlooking the Moldovan "double player" image of the past, on its part, the EU took the Action Plan's commitments very seriously. The actual steps undertaken by the EU after signing the plan demonstrated a real interest directed at Moldova from Brussels. Even before signing the bilateral plan, in 2003, the EU showed its support for Chisinau's pro-Western vector by announcing the names of the top seventeen Transnistrian leaders responsible for challenging the conflict settlement and imposing on them a travel ban within EU territories.[199] A month after the ENP action plan was signed, a Special EU Representative for Moldova was appointed.[200] The special representative's mission was to monitor the progress of Moldovan reforms, personally facilitate the EU role in the Transnistrian conflict, and serve as a liaison officer between the EU and Moldova. The EU not only illustrated its political seriousness toward Moldova, but also gave it the possibility to have a free advisor and point of contact whenever one was needed.

Latter that year, in September 2005, the EU, along with the United States, joined the conflict mediation process in Transnistria known as the "5+2 format."[201] Though the EU and the United States began only as observers in the peace-settlement process, by posing a counterweight to Russia and assisting the voiceless OSCE and helpless Moldova, it was a huge step forward toward changing the balance of influence. The main result was soon evident, when in November 2005 the EU Border Assistance Mission to Moldova and Ukraine (EUBAM) was established. The mission's goal was to monitor the Moldovan-Ukrainian border along the Transnistrian segment of the

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[199] Popescu, 8.

[200] George Dura, "Nations in Transit 2006: Moldova," *Freedom House Country Report*, (2006): 8, http://www.freedomhouse.hu/pdfdocs/moldova2006.pdf (accessed 24 February 2008).

[201] ENP Progress Report: Moldova, 5.

international frontier.[202] Before EUBAM's establishment, the eastern Moldovan border was not controlled by the central government, thus allowing the Transnistrian regime to conduct illegal activities such as arms and drugs proliferation and human trafficking. The Border Assistance Mission succeeded in linking Moldovan and Ukrainian customs services, assisted in improvement of the quality of border monitoring, and obstructed the Transnistrian illegal activities. Even the fact that Transnistria has refused to participate in negotiations since 2006, thus stopping the progress in conflict resolution, does not diminish the great achievements of the EU's involvement in the Transnistrian issue. Here again the EU clearly signals that despite the fact that Russia is believed to be the primary "key-holder" to the Transnistrian problem's resolution, there may be other ways as well.

b. ENP Benefits: The Economic and Social Dimensions

The ENP action plan for Moldova also took into account the economic dimension. From the outset of EU-Moldova relations, the latter has opted for a special economic status with the EU. As we've already described, Moldova's small economy is highly dependent on trade with CIS countries, particularly Russia. To avoid the risk of state failure every time Russia decides to suspend its trade relations, the Moldovan government finally acknowledged that a diversification of market was urgently needed. And while the EU markets are very attractive, they are also highly competitive, and a country like Moldova with limited natural resources has little chance to penetrate them. Another challenge that Moldova faced was that the national economy is mostly reliant on agriculture, and the EU has serious tariffs and quotas on agricultural products. Thus to get to those markets Moldova needed a special arrangement: it was highly unlikely that Moldovan products could reach the EU markets by fair competition. Even a brief look at EU agriculture is enough to show that by creating a special economic status for Moldova, the EU would just be doing Moldova a favor, since it has enough agriculture products on its own.

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[202] The EU Border Assistance Mission to Moldova and Ukraine, "Objectives," *EUBAM Official Website*, http://www.eubam.org/index.php?action=group&group=3&sid=s1g8jnv3uprm50fqtcmu8i9qbzypvaxd (accessed 26 February 2008).

Here again the EU demonstrated its seriousness and interest. After multiple reviews and analyses, the EU Council signed a "Regulation on Granting Additional Autonomous Trade Preferences for the Republic of Moldova," which entered into force on 1 March 2008.[203] This agreement will enable Moldovan exports (with some exceptions) to have access to the EU markets free of customs taxes and quotas, something that will eventually strengthen the national economy and lower the dependence on Russian markets. Another economic benefit that the EU has brought lately to Moldova is facilitated by the EU Border Assistance Mission to Moldova and Ukraine. By monitoring the Eastern Moldovan border, EUBAM makes sure that the exported goods have Moldovan customs stamps only. This has forced many economic agents from Transnistria to register with the central government in Chisinau, a step that increases the level of governmental control over the flow of imports and exports, as well as the collection of additional taxes.[204] From an economic point of view this should be a significant step forward to the reintegration of Moldova's and Transnistria's economic segments.

In the social framework, in April 2007, the EU opened a Common Visa Application Center in Chisinau. The center was created at the Moldovan government's request since many EU countries have their diplomatic missions accredited in Moldova stationed on the territory of neighboring states, especially Romania. Therefore, after the accession of Romania into the EU the Moldovan citizens faced a real challenge obtaining visas for traveling abroad. The Visa Application Center will, however, allow processing of some 10,000 visa applications per year directly from Chisinau.[205]

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[203] Council of the European Union, "General Affairs and External Relations," *Press Release of the 2850th Council's Meeting,* no. 6495/08 (2008):9, http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressdata/en/gena/98822.pdf (accessed 1 March 2008).

[204] The EU Border Assistance Mission to Moldova and Ukraine, "Summary of Reports of the Eight EUBAM Advisory Board Meeting," *EUBAM Official Website*, http://www.eubam.org/files/100-199/191/ABM8%20summary%20of%20reports.doc (accessed 26 February 2008).

[205] "The First EU 'Common Visa Application Centre' Opens in Moldova," *Europa / The EU Press Room*, no. IP/07/561 (25 April 2007), http://europa.eu/rapid/pressReleasesAction.do?reference=IP/07/561&guiLanguage=en (accessed 26 February 2008).

Additionally, an EU-Moldova Visa Facilitation and Readmission Agreement was signed at the end of 2007 and went into effect in January 2008. According to this agreement the price for EU visas will be cut in half, the applications will be processed faster, and there will be free multi-entrance visas for specific Moldovan citizens, such as governmental officials, students in the EU, and transnational drivers.[206] This development is a considerable step ahead toward the eventual free travel for the Moldovan people in the EU territories, especially taking into consideration that even between the EU's old and new members there are issues concerning the free flow of people.[207]

In sum, we conclude that even though there were gaps in the EU-Moldova relations in the past, the EU has not lost interest in Moldova. It has provided many assistance tools for the Moldovan government to use in its efforts to integrate the country into the EU via the EU-Moldova ENP Action Plan. Though the aim of this section was not to show the Moldovan domestic progress within the Action Plan, the results imply that the EU has evaluated the Moldovan performance positively. The EU's policy of conditionality in the integration process is well known;[208] therefore, the implemented commitments on the EU's side suggest that the Union approves Moldova's reforms. As the EU granted favors and supported Moldova in its development, especially for the last five years, this must mean that Moldova is on track with the EU's policies. And though the EU has not officially promised full membership to Moldova, its progress within the ENP framework brings Moldova closer to Europe.

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206 "EU Signs Visa Facilitation and Readmission Agreement with Moldova" *Cross-Border Cooperation Website*, (10 October 2007), http://soderkoping.org.ua/page15941.html (accessed 26 February 2008).

207 The EU old members being concerned with the immigration rate from East to the West still has some restrictions on new EU's citizens. Therefore, while the total free movement of people is still an issue within the EU itself, the "Visa Facilitation and Readmission Agreement" with Moldova will smoothen the transitional period in case Moldova eventually becomes an EU member.

208 For more information on the EU's conditionality policy see Frank Schimmelfenning and Ulrich Sedelmeier, "Conclusions: The Impact of the EU on the Accession Countries," in *The Europeanization of Central and Eastern Europe,* ed. Frank Schimmelfenning and Ulrich Sedelmeier (New York: Cornell University Press, 2005), 211-221.

At this point, Moldova's future relations with the EU and the speed with which the country will develop are in the hands of its leaders. Moldovan governments wasted enough time in the past when they let the EU put Moldova in the post-Soviet "basket" rather than on the Central-Eastern European "team." The last phase of its pro-EU vector started when other ex-Soviet countries were already almost full EU members, thereby positioning the country at least a decade behind.[209] Given the "lessons learned" by the EU officials after the 2004 "Big-Bang" enlargement, the EU may be giving Moldova one last chance to catch the "European train" intended for the Western Balkans. The ENP Action Plan is essential for Moldovan government and all further dialogue will be conducted depending on its implementation. After the expiration of the present action plan this year (2008), Moldova must strongly seek another special framework for cooperation with the EU, which some EU officials have already announced is a possibility.[210]

The main tasks that Moldova must accomplish include complying with its ENP commitments, increasing the EU's level of trust through practical achievements, and continuing its pro-EU path. It also needs to think about other "carrots" that could be offered to the EU so it will consider a full EU membership for Moldova.

D. CONCLUSION

One of the main actors having a direct effect on the Moldova's EU integration process, the EU itself, disregarding the gaps in the EU-Moldova relations in the past, has not lost its interest in Moldova. It has provided many assistance tools for the Moldovan government to use in its efforts to integrate the country into the EU via the EU-Moldova ENP Action Plan. Since the 2003 Moldovan declaration aimed at the EU integration, the EU have restricted the movement of the Transnistrian leadership in the EU territories and

[209] While the last Moldovan government announced the pro-EU irreversible curse in 2003, thus beginning the integration process from the scratch, the Baltic States were only one year off their full accession to the EU in 2004.

[210] At a press-conference on 15 February 2008 in Moldova, Mrs. Benita Ferrero-Waldner, an EU commissioner for foreign relations and neighborhood policy stated that depending on the success of the current Action Plan, Moldova could be the first country to benefit out of a new mobility partnership within a "pilot" ENP project, http://www.azi.md/news?ID=48150 (accessed 28 February 2008).

appointed a special representative to Moldova. It later got involved in the Transnistrian conflict resolution process by taking an observer status in the 5+2 format along with the U.S. It additionally established a Border Monitoring Mission (EUBAM) in order to enhance the Moldovan-Ukrainian international border control along the Transnistrian segment. It finally signed special agreements regarding the EU visa facilitation for the Moldovan citizens and granting Chisinau special trade preferences. At the same time the EU supports Moldovan permanent neutrality and its pro-Western direction. And though the EU has not officially promised full membership to Moldova, its progress within the ENP framework brings Moldova closer to Europe.

Russia, on the other hand, tries its best to obstruct Moldova's way toward the EU although it officially does not mind Chisinau's EU aspirations. This very attempt of Russia is based on the Moldovan status of permanent neutrality which is extremely important to Russia. While protecting its own interests in the region, Russia uses its political, economic, and military leverage to keep Moldova in its sphere of influence as much as possible. Moldova being dependent on Russia economically, and needing Russia's involvement in order to solve the Transnistrian issue, puts the country in a very difficult position. The Transnistrian conflict and Russia's economic leverage are used to regulate Moldova's domestic and foreign policies according to Kremlin's wishes. Moldova's desire to solve the Transnistrian stalemate places the country in a very difficult stance in the negotiation process with Russia, since controlling Transnistria, and thus influencing Moldova's EU integration process, there is little else left that would interest Moscow at the moment.

V. NEUTRALITY OR ALIGNMENT: COMPARING CASE STUDIES

A. INTRODUCTION

Austria succeeded to integrate into the European Union in 1995 maintaining its status of permanent neutrality. Latvia, on the other hand did the opposite. Not only did not Latvia opt for neutrality it made its aligned status a mainstream if its integration process in 2004 successfully acceded NATO and the EU.

As we familiarized with the EU integration processes of Austria and Latvia, this following chapter will briefly review these examples emphasizing the strong and weak points of these two countries in their EU endeavor. We will try to understand which factors facilitated and which ones posed barriers in the integration process. Since Austria and Latvia had different conditions before and during the process, and additionally because the Moldovan political elites debating about the country's EU integration point at these two examples – each case will be separately tested against the Moldovan realities. Such an approach will enable the reader to understand better what similarities and differences Moldova has with the mentioned tow countries, and consequently it will crystallize the idea of what path the Moldovan government shall take in its pro-EU road.

B. THE EU INTEGRATION PROCESSES: REVIEWS

1. Neutral Integration: Austria's Strengths and Weaknesses before Its EU Accession

The aim of this thesis has been to analyze the two options that dominate discussions in Moldovan political circles in regard to the country's integration into the EU: membership as a neutral country or membership as an aligned country. One option is that Moldova could become an EU member as a neutral country. To discuss the neutrality option, we will draw on the example of Austria described in Chapter III and then test Moldova's situation against that.

When Austria became a member of the EU in 1995, it did so while retaining its neutral status. This shows that the EU is not a military alliance and thus any neutral state

can choose to do the same. By examining Austria's domestic circumstances, we can determine how well Austria was doing before it was accepted by the EU. Politically, Austria's leaders were highly committed to EU membership. They expressed Austria's desire to become part of the Union, accomplished all the necessary requirements, and supported the EU's interests.[211] Austria benefited considerably by its accomplishment of a smooth and easy reformation process. However, Austria had little to change, since its political, economic, judicial, and societal systems were already similar to those of the EU. Though Austria had been a neutral country during the Cold War, there was little difference between it and other Western European countries. As a consolidated, pluralistic democracy based on the rule of law and a market economy, only relatively insignificant changes were needed for Austria to adjust to the EU's rules and policies. In addition, because of Austria's historically proven neutrality, there were no external actors that could challenge Austria's internal affairs and aspirations. This meant that the transformation process after the Cold War was entirely in the hands of the local government. Even Russia, a former strong proponent of Austria's neutral stand, has not attempted to question Austria's neutrality and its pro-EU vector.

Also, at the outset of its accession to the EU, Austria's economy was quite strong, leading to a gross domestic product (GDP) of $ 21,000 per capita.[212] Since the EU's main orientation, especially at that point in time, was the economic development of the Union, Austria's strong economy on the one hand and the EU's large markets on the other, fit the interests of both. Austria wanted to become richer and by doing so it would add more wealth and power to the EU. As we briefly illustrated in Chapter III, the EU aimed at enlargement and was very willing to accept its rich neighboring countries. The richer the individual members, the wealthier the Union would become.

Thus, regardless of its neutral status, which could eventually be a challenge to the EU internally, Austria was fairly well positioned within the Union. And though the EU might have preferred an aligned Austria, it had no problem with the Austria's neutral strategic status. This makes perfect sense, especially when we consider that Austria still

[211] Neuhold, "Austria and European Security: The Question of Neutrality," 19.

[212] Bell, 14.

had a relatively large and strong military that was capable of accomplishing various tasks, including conventional war-fighting, antiterrorist activities, and peace-support operations.[213] In any attack on Austria, therefore, the EU would have to use few of its own resources, while, in peace time, it could use Austria's military capabilities within the framework of the European Defense and Security Policy (ESDP). Given the low possibility of a war in Europe and the absence of any potential enemies of Austria, the EU, being concerned with increasing its common defense capabilities, would only benefit from the Austrian military contribution. And the aligned EU members, which often have their militaries engaged in activities such as NATO operations, could rely more on Austria's forces for the EU's peace projects.

The last major plus that Austria had for a quick integration into the EU was its Occidental society. Historically, the Austrian nation has been one of the most developed in Europe and one of the leading nations for the world's enlightenment. From the time of the Hapsburgs it has been politically, socially, and culturally at the heart of Europe, and thus has shared European values for a long time. And even with its neutral position after World War II, Austria did not fall behind the other developed European nations. When it expressed its desire to join the European "club" in the late 1980s, it was just as democratic, free, and liberal as France, Germany, or Great Britain. Therefore, psychologically, as it shared all the true European norms, rules, and values, Austrian society was totally ready to integrate into the European family from the very beginning.

In sum, we can see that Austria integrated into the EU fairly easily because it was basically ready for accession. It was a consolidated democracy with a stable political system and had a relatively strong economy that supported a high standard of living for the Austrian people. In addition, it sustained a capable military and had had a Westernized society for centuries. All these characteristics were the strong points that facilitated the country's accession to the EU.

The only issue that could be viewed as a challenge to the accession, therefore, was Austria's neutrality. As we showed in Chapter III, the Austrian public strongly supported

[213] Bell, 14.

their country's neutral status. And if there was a choice to be made between maintaining its neutrality and EU membership, they would have chosen neutrality. Political leaders may be able to disagree with external actors, but few politicians choose to go against their own people. Therefore, in Austria, the neutrality issue was only a minor hardship. The Austrian government successfully overcame it as a barrier to EU membership by convincing the population that the EU membership would not undermine Austria's neutrality. Since neutrality was legally compatible with the EU charter, neutrality was primarily an Austrian concern, not the EU's. The fact that the EU so readily consented to Austria's neutrality and the absence of any belligerent's protests indicate that neutrality actually had little effect on the Austrian integration process.[214]

These facts, plus the fact that Austria and the EU were the only actors involved in the integration process, makes this case an example of an "ideal integration process." However, while lessons can be learned from this example, in order to objectively take this case as a standard for other neutral states' EU accession, all the same conditions must be present.

2. Aligned Integration: Latvia's Strengths and Weaknesses before Its Accession to the EU

As we saw in Chapter III, in contrast to Austria, Latvia integrated into the EU in 2004 as an aligned country. In addition, although neutrality made no difference in the Austrian integration process, as we will show, it was its strategic aligned status that actually brought Latvia into the European Union.

As a result of being under Soviet control, Latvia had multiple problems before its EU accession. The Latvian political system at the beginning of the 1990s was in chaos, with its new political elite being pro-Western on the one hand, while having a Soviet education and experience on the other. The country's initial post-Soviet image and its poorly accomplished commitments, even though the result of a lack of knowledge, were not very beneficial to a nation that wanted a fair partnership with the EU. Latvian politics quickly improved, however, and its Western orientation was rapidly consolidated despite

[214] Luif, 117.

the domestic opposition of a large Russian-speaking population.[215] Political reform in Latvia quickly evolved and democratic norms such as free and fair elections, constructive dialogue between the ruling and opposition parties, and freedom of the press were introduced. Consequently, by the end of the independence decade, Latvia had become a true free democracy.[216]

In regard to security issues, Latvian leaders, who were concerned that there might be an eventual Russian revival, rushed to find a place for themselves under the European sky. While acknowledging their problems, they decided that the only way to secure the country and integrate it into the EU was via NATO. Thus, NATO became the main point of interest and a focal point for Latvian governments, and Latvia's strategic status as an aligned country became the cornerstone of its future prosperity.

Throughout the 1990s, it transformed its small, weak military, focusing on the development of niche capabilities. By demonstrating its desire for supporting the European security efforts and keeping its promises, the Latvian military obtained support from other countries and by the beginning of the new millennium had become a small but capable force.[217] And though some may say that in 2004 Latvia's military still did not measure up to NATO standards, NATO saw it differently. Latvia's actual capabilities seemed to be less important than its commitments, plans, and proof of future development. NATO saw a promising country, a future true European democracy with sufficient military capabilities and commitment to contribute to the common European security goal, thus granting Latvia NATO membership, which ultimately helped it to integrate into the EU.

However, in the early 1990s Latvia's economy, similarly to other ex-Soviet republics, was devastated which meant that there were many challenges to a good standard of life for the Latvian people. Nonetheless, the government quickly began a

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[215] Weir, 4.

[216] Map of Freedom 2002, "Latvia," *Freedom House Official Website,* http://www.freedomhouse.org/template.cfm?page=363&year=2002&country=586 (accessed 8 March 2008).

[217] Aigars Kalvitis, "From Newcomer to Player," *NATO's Nations and Partners for Peace* 3, Military Module (2006): 28.

reformation process that was aimed at transforming the Latvian economy into a true market economy. Being assisted by international experts it successfully completed the privatization reform by 2003 and managed to achieve a result of $7,730 GDP per capita, which continued to grow.[218] The Latvian market was diversified and more economic relations with Western countries were achieved. The political vector toward Europe increased the level of trust in business conditions and more foreign direct investment (FDI) began to flow into Latvia's promising economy. The EU could see its actual achievements and assess their future economic success, a fact that greatly benefited Latvia's acceptance by the EU. Being under NATO's security umbrella removed all remaining doubts about Latvia's investment security, and just after its NATO accession, Latvia's FDI doubled.[219] Though not without difficulty, Latvia's leaders gradually defeated its Eastern economic direction and became more focused on the Westernization of the economy.[220] These facts, along with Latvian hard work, allowed the economy to advance, thus bringing it closer to EU standards, as Latvia also managed to keep its promises and commitments to its European counterparts.

Latvia faced challenges socially as well. Although Latvia has a pro-Western population for the most part, as we remember about 40 percent of the Latvian population is made up of Russian-speakers inherited from the Soviet era, which viewed the EU, and especially NATO, as strangers, if not enemies. This split in Latvian beliefs was a difficult burden for the government, but despite existing problems, Latvia managed to increase the level of the society's support for its Euro-Atlantic integration. Its democratic lifestyle and the social programs introduced by Latvia's governments inspired even those people who supported a more anti-Western point of view.[221] The Russian-speaking segment of the society's empathy toward Russia lessened, as they came to see Russia as a country

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[218] Bertelsmann Transformation Index (BTI), "Country Report: Latvia," *BTI Official Website*, http://bti2003.bertelsmann-transformation-index.de/181.0.html?&L=1.&type=98&L=1 (accessed 9 March 2008).

[219] Data provided by United Nations Conference on Trade and Development, http://www.unctad.org/sections/dite_dir/docs/wir07_fs_lv_en.pdf (accessed 19 January 2008).

[220] Kratins, 61.

[221] In 2001, the opinion polls showed that 33 percent of the Russian-speaking population of Latvia was in favor of NATO's admission. See Lejins, 13.

characterized by poverty, violations of basic human rights, and overall chaos. More people began to reassess their ideas and views of the collapsed Soviet Union and its "successor" and, though still complaining, preferred living in Latvia rather than returning to Russia. These domestic circumstances in addition to the socialization process of the EU and NATO norms diffusion programs facilitated a social change in Latvia resulted in the great majority of Latvia's population's supporting the Euro-Atlantic integration.

In contrast to Austria, therefore, before its accession to the EU, all of Latvia's domestic dimensions were challenged. As a result of its being an ex-Soviet country, Latvia experienced political, economic, and social hardships that had to be overcome in order to integrate into the EU. Latvia's greatest strength was its extreme desire to be part of the EU and to do the hard work to make that happen. Latvia's weakness after regaining its independence and its relatively quick progress toward NATO and the EU make its case admirable. Latvia succeeded because its leaders objectively assessed the country's realities and options. Then they made their choice and strongly supported it by doing everything possible to prove their loyalty to the West. Latvia's total alignment to the West was the mainstay of its integration strategy. Looking at Latvia as an example we can conclude that sometimes capabilities are less important than the willingness and commitments to obtain those capabilities. Latvia made the EU believe that even though it might not have had the necessary standards for a fair accession, its choice was final and its willingness to work hard toward improvement was serious. It succeeded in convincing Europe that both the EU and Latvia would benefit from the Latvian accession to the Union. The fact that Latvia was accepted into the EU without having yet signed a border treaty with Russia[222] illustrates how much the EU values seriousness, commitment, and loyalty.

[222] As described in Chapter III, Russia ratified the Bilateral Border Treaty with Latvia only in December 2007.

C. NEUTRAL OR ALIGNED EU INTEGRATION: TESTING MOLDOVA'S REALITIES AGAINST THE TWO CASE STUDIES

1. General Comparison

Comparing Moldova with the two case studies, we can see that the facts "on the ground" position Moldova closer to Latvia than to Austria. More specifically, we can say that besides the fact that Moldova wants to integrate into the EU as a neutral country, as Austria did, the two have nothing else in common. The common Soviet past, on the other hand, puts Moldova in the Latvian 'basket' in this study.

At the beginning of the 1990s, Moldova's political agenda was similar to Latvia's, which is not surprising since all the ex-Soviet republics had similar agendas after the USSR dissolution. But while Latvia rushed from the very beginning to do everything possible in order to get closer to Europe, Moldova has moved much slower. In 1994 it expressed its desire for a dialogue and partnership with the EU, but their bilateral relations were only on the paper until 1998 when the Moldova–EU Partnership and Cooperation Agreement (PCA) came into force.[223] Moldova's pro-EU commitments were merely rhetorical, while its "double-game" policy favored Russia. The political elite was concerned more with acquiring and keeping power than with the country's development. The reformation process was slow and the political dimension barely improved. In Brussels' eyes, these policies undermined Moldova's true abilities and intentions. Even after the radical change in Moldova's foreign policy in 2003, the EU has more than enough incentives not to trust the Moldovan incumbents.[224] Thus, in contrast to Austria, which has been a truly consolidated and politically stable democracy, and Latvia, which had problems but has been quickly improving, Moldova looks very much like a state with an undecided and impotent domestic and foreign policy.

Economically, Moldova is extremely far from where Austria was before its accession into the EU, and already quite far from Latvia as well. Moldova's GDP in 2006

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[223] Vahl, 173.

[224] Liliana Vitu, "Baltic States and Moldova: Lessons of Success and Failure," in *The EU & Moldova: On a Fault-Line of Europe,* ed. Ann Lewis (London, UK: Federal Trust for Education and Research, 2004), 158.

– 2007 amounted to only $ 1,868 per capita,[225] while its FDI was about $ 222 million.[226] Its lack of natural resources and an agriculture-oriented economy positions the country on the "bottom shelf" among European economies. The Transnistrian problem besides taking away about 40 percent of the possible national income, also keeps potential investors off Moldova's economy, thereby enhancing the economic problem. Dependence on Russian markets caused Moldovan exports to become vulnerable to the modern economic competition, while Russian energy imports turned Moldova into a hostage at the master's mercy.[227] In an eventual EU accession, not only would the Moldovan economy not benefit the EU, it may be a burden to the other EU member states. The challenges the EU has faced after the last enlargement wave suggest that not everyone is happy that the Union's new members' development is at the cost of the richer ones.[228] A stable economy like Austria's, or at least the evident promise for a stable economy in the future as in Latvia, is the mainstay the EU policies rest on. Moldova, having almost no mineral resources, being dependent on Russian markets, and continuously failing to introduce effective economic reforms, has little chance to impress the EU. Additionally, having unresolved security problems such as the Transnistrian conflict and Russian troops in the country continues to keep potential investors out of Moldova's economy, thus decreasing the chance for faster development.

From a security point of view, as we showed earlier, Moldova maintains a status of permanent neutrality. This status, however, has been violated externally by Russia and internally by Moldova itself and seems thus more a "façade" than a true state's security strategy. Also, while Austria maintains a military capable of protecting its neutral status, and Latvia has also built a small but capable military, Moldova has gradually downsized its military over the years, making the country militarily weak. It is right that the EU does

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[225] BTI, "Country Report: Moldova," *BTI Official Website*, http://www.bertelsmann-transformation-index.de/153.0.html?&L=1 (accessed 9 March 2008).

[226] Data provided by United Nations Conference on Trade and Development, http://www.unctad.org/sections/dite_dir/docs/wir07_fs_md_en.pdf (accessed 9 March 2008).

[227] See Vlad Spinu, "Why is Moldova Poor and Economically Volatile," in *The EU & Moldova: On a Fault-Line of Europe,* ed. Ann Lewis (London, UK: Federal Trust for Education and Research, 2004), 103-109.

[228] David Floyd, "Can EU Enlargement Really Work?" *European Business Review* 17, no. 6, (2005): 598.

not mind a neutrality clause, but it is also important to mention that at the same time the Union has a well-defined security and defense policy. And in order to maintain a certain level, it needs the member states to be ready to commit military capabilities. Based on the current situation, it is hardly imaginable that Moldova could contribute to the ESDP if it were to become an EU member tomorrow, whereas the actions of the Moldovan president who recently proposed a total demilitarization of the country[229] totally eliminates the theoretical right for an equal participation of Moldova in the ESDP. One might even say that the EU will not "suffer" without the Moldovan contribution to the EU's security, but it is for the Moldovan government to understand that eventual military contributions within the ESDP is one of the very few "utilities" Moldova could offer to the EU. And while it is not suggested that neutrality is something bad, it is very important that the Moldovan elites do not forget that Moldovan neutrality is extremely "important" to Russia and that the latter wants to use this status in order to stop the country from its pro-EU path.

Moldova differs socially from Austria and Latvia as well. Austria, whose society has been always Western does not even compare, since the gap is too enormous. But even in comparing the Moldovan public with that of Latvia we find discrepancies. Disregarding for a moment the Russian-speaking population that both Moldova and Latvia largely inherited from the Soviet era, we find that even among so-called "real" Moldovans a pro-European choice is much weaker than that of the Latvians. In the mid-90s, about 56 percent of the Moldovan people did not feel "European."[230] Consequently, especially after electing the Communist Party to rule the state, Moldova reached a point where it almost totally lost its interest in the West in terms of the country's destiny. Though this situation gradually changed, it took a great deal of valuable time for Moldovans to understand the true value of Europe and change their vision. After the

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[229] Vladimir Socor, "Voronin Proposes Full Demilitarization of Moldova," *NATO's Centre for Information and Documentation in Moldova Official Website,* http://www.nato.md/index.php?option=com_content&task=view&id=340&Itemid=46 (accessed 15 February 2008).

[230] White, 189.

sudden political changes in 2003, Moldova initiated more informational projects so the public could learn about the EU. Change happened so fast that already in 2007 over 72 percent of the Moldovan public was in favor of EU membership.[231]

In sum, other than in its neutral status, Austria is beyond comparison with Moldova, because it was prepared in every other way for EU integration. At the same time, like Latvia's attempt to integrate into the EU, Moldova has faced challenges in every other aspect of its national situation. However, in contrast to Latvia, the Moldovan governments failed to introduce the necessary productive reforms, thus wasting a lot of time – time that could cost Moldova its EU integration. The EU is not limitlessly flexible and its enlargement process is not infinite. If the Moldovan leaders do not learn this lesson, they may miss the last "train to Europe."

2. A Neutral Integration?

At this point, it is time to return to the main aim of the thesis, Moldova's two options for integration into the EU: as a neutral state or as an aligned state. The center-left parties on Moldovan politics say that since Moldova can integrate into the EU and still maintain its neutral status - this is the right path to take. As our research has shown, in theory, this is not impossible. The EU has no problem accepting neutral states. Indeed, the case of Austria illustrates just how willing the EU is to integrate neutral countries. While any such union might prefer aligned states, where members are bound by certain common regulations, a neutral state may still not pose a problem. Given the solidarity and cooperation frameworks of the EU, the worst thing that a neutral country could do to the Union is to do nothing. Neutrals, at their discretion, can choose whether or not to support specific policies, regulations, and positions, and their staying on the sidelines would cause no problem for the organization. An eventual acceptance of a neutral Moldova into the EU is therefore possible.

However, neutrality is a privilege; it allows a state at given points to either agree or disagree, with no right reserved for others to object. Having a neutral status means that a country's refusal or disagreement does not require an action: neutrals have the legal

[231] Munteanu, "Between Neutrality and Reform: Moldova's Bid towards EU," 3.

right not to act in any way if they do not wish to do so. This can be a very convenient position, especially in today's globalized world where everything and everyone is seen as interconnected and sometimes "laying low" can be beneficial. Thus, if a neutral state wishes to have good relations with other states in a union such as the EU, it must "pay" for an eventual possibility of staying aside from the rest. Austria and other neutrals "pay" by using their valuable resources and capabilities. For example, a country may serve as mediator or facilitator in different disputes at its own expense or in other similar interim activities. In this regard, it is important to remember, however, that when Austria was integrated into the EU, it was already a stable country with strong political, economic, and social systems. Therefore, its neutrality per se was not an issue for the EU.

In this respect, Moldova is totally different from Austria. It has an "unhealthy" political system, in which a communist party still runs the country. It is no secret in Brussels that in Moldova there is corruption at all government levels, oppression of the political opposition, and restriction of a free media.[232] In addition, the political "double game" being played by the Moldovan government definitely may increase the EU's skepticism about the Moldova's actual position. Additionally, Moldova's weak economy and a population who wants EU integration while not feeling especially European is not something that the EU needs either.[233] A capable military that could be used for various ESDP missions, thus improving Moldova's attractiveness, is also absent. Frankly, Moldova does not have much to offer the EU. In fact, it has almost nothing. Why would the EU accept such a country, moreover, one that is neutral, with all that means for EU membership?

As we have illustrated, where Austria had numerous strong points, Moldova has only weak ones. Indeed, it is almost impossible to discuss the two in an objective comparison. Regardless of its security status, whether a benefit or not, Moldova is far from being prepared to integrate into the EU. In other words, for the time being at least, its neutral status has no significance for the integration process. Moldova has a long way

[232] Dumitru Minzarari, "Under the West's Radar," *Transitions Online*, (10 March 2008), http://www.tol.cz/look/TOL/article.tpl?IdLanguage=1&IdPublication=4&NrIssue=259&NrSection=2&NrArticle=19429 (accessed 11 March 2008).

[233] Thomas Straubhaar, "Europe at Crossroads," *Intereconomics* 40, no. 3, (2005): 118.

to go in improving its political system, developing its economy, and educating its society in a European way. To accomplish these things, it must work closely with the EU, hoping for advice that will help the country qualify for the "Copenhagen criteria." Only then will it be time to talk about the neutrality clause.

As we have shown, Russia strongly advocates Moldovan neutrality as part of its attempt to gain control the entirety of Moldova through its "Transnistrianisation."[234] If Chisinau were to accept this Russian version of "guaranteed neutrality," its chance to integrate into the EU would be lost forever. Transnistria would use its veto powers to prevent a pro-Western process.[235] And the country's reintegration at the cost of forfeiting a future EU membership is inadmissible. Thus, if Moldova wants remain a neutral state, it should simply maintain its current neutral status. It, at least, will not put the country legally in Russian hands.

3. An Aligned Integration?

In contrast to the center-left parties, Moldova's center-right politicians favor a Latvian model of EU integration. They say that neutrality is an obstacle to Moldova's EU integration and that it should be abandoned in favor of NATO membership, which would eventually get the country into the EU.

In light of our analysis of the Latvian case, at first glance, this paradigm seems reasonable. Since the end of the Cold War, Moldova's neutrality has played a rather negative role in the country's evolution. Unlike Latvia, it restrained the country from seeking membership under NATO's security umbrella. If NATO accession had been on the agenda in Moldova at the same time as in other Central-Eastern European countries, Moldova's fate might have been different. But NATO membership was ruled out from the start, and the vacuum that resulted from the dissolution of the USSR was filled by a strategic partnership with Russia. It is that partnership that is the cause of Moldova's current problems.

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[234] This term is often used in Moldova to illustrate the already described Russian tactic for taking control over whole Moldova via Transnistrian conflict resolution.

[235] In its 2005 "Foreign Policy Objectives," the so-called Transnistrian "parliament" stated that Transnistria is opposed to EU and NATO enlargement. See Ryan, 1.

The center-rightists call, therefore, for Moldova to learn a lesson from the Baltic States' experience, suggesting that taking the right path later is better than never. And adopting the Latvian EU integration model would indeed probably result in various benefits for Moldova. First, NATO would assist in the European integration process by offering its expertise. Considering that the enlargement processes of NATO and the EU are based on the same values and that both organizations would be involved, the integration process would be at least twice as fast. Second, the process of introducing EU-driven reforms would give Moldovan officials an additional source of constructive pressure to quicken the implement of those reforms. Third, when NATO is interested in a country it supports not only its armed forces but also every other dimension of its reformation process.[236] With NATO membership Moldova would get a total level of security, thus opening the door to foreign investment. This would ultimately foster a national economy that would be closer to EU standards. But the most important benefit that an eventual NATO membership would bring is providing Moldova with a special status of partnership with the United States. And an increase in U.S. interest in Moldova may be vital because only the United States has a way to negotiate with Russia.

Furthermore, because of its small size, Moldova's membership would have little effect on EU processes.[237] Thus it is possible that the EU would accept Moldova as it is, even if not very developed, after the NATO security umbrella is assured. Given the many benefits that Moldova could gain by giving up its neutrality, which is more or less ineffective anyway, it may be hard to understand why Moldova still retains the neutral status.

The reality, however, is more complicated. By giving up its neutral status, Moldova will probably lose forever any possibility of reintegrating the country. Russia is determined to make sure that NATO does not move into this part of the continent, and if

[236] Munteanu, "Between Neutrality and Reform: Moldova's Bid Towards EU Integration," 2.

[237] After the 2004 "Big-Bang" it was estimated that the aggregate output of all 10 candidate countries together was only 5 percent of that of the EU-15, thus not causing significant decline in the EU's economic performance. Consequently, Moldova's economy alone would not make a big difference either.

Moldova abolished its neutrality Russia will never pull out its troops. As the Russian troops have not left for sixteen years while Moldova was neutral, the word "never" seems most appropriate.

Also, during the NATO integration process Russia could easily put economic pressure on Moldova as it did recently when the "wine war" was lunched on Moldova. If Russia chose to do this then, one can only imagine what damage it could cause to the Moldovan economy if it had Moldova's NATO membership as a reason. Still, in accomplishing important goals, none of these should be reasons for a country to change its desired vector. Moldova, however, is very dependent on Russia economically, and therefore economic sanctions by Russia might even lead to state failure. Such a result would neither provide a decent level of life for the Moldovan people nor integrate the country into the European institutions. If the EU is not happy with Moldova's situation today, it is hard to believe that it will change its opinion if Moldova gets worse.

D. CONCLUSION

To conclude, our research shows that the main actors that can and do influence Moldova's integration into the European Union are the EU itself and the Russian Federation. While the EU is involved in a positive way trying to assist Moldova on its way to Europe, Russia obstructs the process by using whatever tools are available, such as economic means and its special status in the Transnistrian conflict resolution process. Russia's position would not be as important as it is if it did not play a main role in two key areas of Moldovan vulnerability: its reintegration and its economy.

In regard to the two options open for Moldova's EU integration, we found that the Latvian example for joining the EU via NATO is the best fit, since Latvia and Moldova were in similar situations after the collapse of the USSR. Nonetheless, though Latvia is a good example for countries that are alike of how to quickly integrate into the EU, Moldova cannot afford to do so. The mistakes made by its governments in the aftermath of the Cold War left the country under a strong Russian dependence. Thus, if Moldova tried to repeat what Latvia did, it is hardly likely that it would succeed.

The key issues that obstruct Moldova's integration process are interconnected: the country's disintegration drags down the economy, which in turn impedes Moldova's qualification for EU accession. And since Moldova's reintegration is in Russia's hands, Moldova's EU integration also depends on Moscow. Therefore, given that Russia will only accept a non-NATO Moldova, abolishing its neutrality does not seem to be the best decision, at least for now.

And as, in theory, attempting to get EU membership while continuing to maintain its neutrality does not pose a problem for Moldova, even discussing this option seems premature. Moldova is far from ready for full EU integration, and it has a tremendous amount of work to do to get closer to EU standards. Therefore, for the time being, the country's security strategy does not make a significant difference, and all the discussions within the political circles about a potential Moldovan EU accession, with a neutrality clause, appear to be a waste of time. Nevertheless, this does not mean that Moldova should allow the Russian model of "guaranteed neutrality" which is aimed at transforming Moldova into a political hostage of Russia. If Moldova is to be neutral, than its present status is more fitting for Moldovan interests than the model proposed by Russia. Though its present status of neutrality does not help in Moldova's EU integration process, it does not obstruct it either. Given Moldova's current realities, this is not the worst scenario.

VI. CONCLUSIONS AND RECOMMENDATIONS

A. CONCLUSIONS

The purpose of this thesis has been to investigate whether the Republic of Moldova can achieve its desire to join the European Union (EU) while continuing to maintain a status of neutrality. The need for this research arose from the debate in the political circles of Moldova. The center-left-wing parties insist that a status of permanent neutrality best fits the country's interests and is completely compatible with the EU regulations vis-à-vis Moldova's aspirations for EU integration. They argue, in particular, that showing the international community that Moldova is a completely peaceful country will eliminate any potential foes and thus facilitate Moldova's pro-EU path. In defending this point of view, the neutrality supporters point to other neutral states such as Austria which succeeded in becoming an EU member in 1995 while maintaining its neutrality.[238]

Moldova's right-wing parties believe, however, that Moldova's neutral status works against its national security interests by making the country unable to defend itself in the Machtpolitik world. They argue that Moldova's neutral position distances the country from attaining security through alignment with other European countries in military coalitions, while leaving the state alone in facing dangerous actors such as the Russian Federation. The resulting insecurity, they further argue, jeopardizes Moldova's integration into the EU, since the EU does not need or want to include insecure or weak states. Thus they opt in favor of refuting neutrality and joining NATO, a step that they believe would strengthen Moldova's security and eventually make the country more attractive and acceptable to the EU. In advocating this position, the center-rightists refer to the lessons learned from other former Communist countries, such as Latvia, which, by using this matrix, fairly quickly integrated into the Euro-Atlantic institution after the end of the Cold War.[239]

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[238] Luif, 117.

[239] Berzins, 56.

The thesis began by analyzing the classical concept of neutrality as a security strategy. We then looked both at Austria's neutral integration into the EU and at Latvia's aligned integration. From that research, we reached the following conclusions.

1. Classical Concept of Permanent Neutrality

Until the nineteenth century, states occasionally adopted a status of neutrality to avoid undesired war. After the now classical concept of permanent neutrality was imposed on Switzerland in 1815 as a security strategy, however, it began to be chosen also by other states. It gained international recognition at the 1899 and 1907 Hague Conventions for status-quo states that wished to choose neutral status as a means to avoid being dragged into the wars of more powerful states. And, traditionally, states that choose a permanent neutral strategy as a means to maintain their national security must be able to protect that status. The rights and benefits of neutral states are stipulated in international law; however, there is no guaranty that the law will always be observed. Therefore, while respecting their obligations and refuting internal violations of their neutrality, neutral states should also use all means possible to protect their neutrality from external violations.[240]

The status of permanent neutrality now relies on status-quo states' assurance to potentially belligerent countries that their neutral status is not only permanent but is also based on their use of a combination of positive and negative strategy components. By implementing such components – such as initially providing various tertiary services – neutral states can create a credible basis for neutrality during both peacetime and wartime. In addition to peaceful assurances, neutrals must also develop deterrent capabilities that will show potential aggressors that the costs of aggression may be greater than the benefits. Such deterrent capabilities will derive primarily from neutrals' own strategic, economic, and military resources.

[240] Scott, Convention V, Atr.5 and Convention XIII, Art. 8.

2. Austria's Neo-Neutrality and the EU's Security Framework

Although Austria became a neutral state after the end of the Second World War because it had no choice, it took its neutral status seriously and, during the entirety of the Cold War, continued to observe the classical requirements of neutrality. As the USSR began to collapse, however, and the 1990s brought new changes to the international system, the Austrian government reassessed its neutrality conditions and came up with a new approach, which we refer to here as "neo-neutrality." As the Austrian government began to analyze this new approach to determine whether neo-neutrality could accommodate the EU's security policies, it soon realized that the EU's approach to security was quite comprehensive. The EU views conventional war as obsolete and takes the current threats – terrorism, the proliferation of weapons of mass destruction, regional conflicts, state failure, and organized crime – into account in a very different way. In dealing with these and other threats, it focuses primarily on the civilian dimension. For the EU, therefore, Austria's neutrality was not taboo, and in 1995, it was granted full membership.[241]

However, while its neutrality status was a subject of consideration before Austria's EU accession, what is more significant is that, in all other aspects, the country was ready for integration. It was a consolidated democracy with a stable political system and had a relatively strong economy that supported a high standard of living for the Austrian people. In addition, it sustained a capable military and had had a Westernized society for centuries. All of these aspects were significant factors in facilitating the country's EU accession that should not be overlooked when assessing Austria's integration process.

3. Latvia's Aligned Strategy and Its Role in the EU Integration Process

In contrast to Austria, before Latvia was accepted into the EU, all of its domestic practices were challenged. Like all ex-Soviet countries, Latvia experienced political, economic, and social hardships, which had to be overcome in order to integrate into the EU. In this respect, Latvia's greatest strength was its extreme desire for EU membership

[241] Lindley-French and Fluckiger, 184.

and its willingness to do the hard work necessary to make that happen. After objectively assessing both the country's realities and its options, and in light of their concerns about an eventual Russian revival, Latvia's leaders decided that the only way the country could find its place in Europe was through NATO. Thus, NATO membership became the cornerstone of Latvia's European integration process[242] while, at the same time, it began to implement the reforms necessary for EU accession.

Once Latvia had chosen this course, it supported it by doing everything possible to prove its loyalty to the West. As a result, Latvia's wholehearted alignment with NATO and the EU were the mainstay of its integration strategy. Although lacking any real political, economic, social, or military strength, Latvia desperately allocated every possible resource to raising its capability levels as high as possible. This convinced the EU that though Latvia fell short of the necessary standards for a typical accession, its choice was final and its willingness to work hard at improvement was serious. It succeeded in convincing Europe that both the West and Latvia would benefit from Latvia's accession to the Euro-Atlantic institutions and in 2004 was accepted by both NATO and the EU.[243]

4. Moldova's EU Integration Process vis-à-vis the Main Regional Actors

In 1994, after a brief civil war with the secessionist Transnistrian enclave supported by the Russian Federation, the Republic of Moldova declared its permanent neutrality. At the time, its decision for neutrality was aimed at facilitating a conflict settlement and the withdrawal of Russian troops from the region stationed under a peacekeeping umbrella. So far, Moldova's permanent neutrality seems to have been largely ineffective. Its political leaders have executed Moldova's neutrality as a security strategy in ways that makes little sense in terms either of its neutrality or of its security. Their approach has resulted in a major reduction of the national military which places the country in a very poor security posture militarily. And at the same time, Moldovan officials have played a double game between the West and Russia by maintaining a

[242] Lejins, 13.

[243] Lindley-French and Fluckiger, 257.

special economic relationship with Russia while emphasizing Moldova's intentions to join the EU and cooperating militarily with NATO. In addition, Moldova has violated a central tenet of neutrality by its military participation in Operation Iraqi Freedom; and its failure to protect itself from external intervention by Russia, whose troops remain on Moldovan soil, seriously undermines Moldova's neutral status.

Nevertheless, the EU, disregarding the gaps in EU–Moldova relations in the past, has not lost interest in Moldova. It has provided many assistance tools for the Moldovan government to use in its efforts to integrate the country into the EU via an EU-Moldova European Neighborhood Policy (ENP) Action Plan. Since the 2003 Moldovan declaration aimed at EU integration, the EU has restricted the movement of the Transnistrian leadership in EU territories and appointed a special representative to Moldova. It recently got involved in the Transnistrian conflict-resolution process by joining with the U.S as an observer in keeping with the 5+2 format. It additionally established a Border Monitoring Mission (EUBAM) in order to enhance Moldovan-Ukrainian international border control along the Transnistrian segment. It finally signed special agreements regarding EU visa facilitation for Moldovan citizens and granting Chisinau special trade preferences. At the same time, the EU supports Moldova's permanent neutrality and its pro-Western direction. And though the EU has not officially promised full membership to Moldova, its progress within the ENP framework brings Moldova closer to Europe.

Russia, on the other hand, though it does not object officially to Chisinau's EU aspirations, tries its best to obstruct Moldova's progress toward the EU. Interestingly, Russia's attempt is based on Moldova's permanent neutrality status, which is extremely important to Russia. Having its own considerable interest in the region, Russia uses its political, economic, and military leverage to keep Moldova as "neutral" as possible. At the same time, Moldova's economic dependence on Russia and its need for Russia's involvement in order to solve the Transnistrian issue put the country in a very difficult position. Russia uses the Transnistrian conflict and its economic leverage to keep Moldova within the Russian sphere of influence. Moldova's desire to solve the Transnistrian stalemate places the country in a disadvantageous position in the

negotiation process with Russia, since other than controlling Transnistria and using it to influence Moldova's EU integration process, Moscow has little interest in Moldova at the moment.

Though officially Russia is concerned only with NATO's eastward expansion and does not object to Moldova's intention to join the EU, Russia's traditionally holistic view of the West and the high level of its pressure on Moldova create serious doubts about the Kremlin's official position. In any case, Russia's continued presence in Transnistria maintains Moldova's unstable image in Europe, thus keeping away EU partners and investors. Russia has facilitated Moldova's low economic development, political immaturity, and unattractiveness. And it literally blackmails Moldova with the Transnistrian problem, using it as its main tool for keeping Moldova under its influence. All of which situates Moldova in the middle of the "traditional" West–East dispute: while the EU assists Moldova's Western vector, Russia uses all available means to obstruct it.

5. Moldova's Realities

As we have shown, one side of the debate about Moldova's neutrality status in relation to EU membership points to Austria's EU integration experience, the other to that of Latvia. Nonetheless, Moldova's situation differs essentially from both. In contrast to Austria, which was a fully consolidated and politically stable democracy with strong economic potential, a relatively powerful military, and an Occidental society, Moldova has great problems in all these aspects. It has a weak political system, in which the ruling Communist party allows corruption at all levels of government, intimidates the political opposition, and restricts a free media. In addition, the political "double game" still being played by the Moldovan government definitely increases the EU's skepticism about Moldova's actual position. Furthermore, Moldova's weak economy and its population's lack of a European education and culture are challenges to the country's progress with the EU. A capable military that could be used for various ESDP missions, thus improving Moldova's attractiveness to the EU, is also absent. But it is the unresolved conflict in Transnistria that facilitates Russia's influence, which poses the biggest barrier in

Moldova's EU integration process. Therefore, it is highly subjective to compare Moldova to Austria in pledging a neutral EU accession. Austria had a lot to offer to its European partners before its EU membership; Moldova does not.

Latvia's situation, on the other hand, looks fairly similar initially to that of Moldova. Like Moldova, Latvia had multiple problems before its EU accession as a result of being under Soviet control. The Latvian political system at the beginning of the 1990s was in chaos, its economy devastated, its military dismantled, and the society was divided in half into Latvians and Russians. Latvia quickly improved, however, and rapidly oriented itself toward the West. Its government decided overwhelmingly that the only way to the EU was through NATO membership and therefore aimed at a double integration process into the both Euro-Atlantic institutions. As a result, political, economic, social, and military reform in Latvia quickly evolved and democratic norms such as free and fair elections, constructive dialogue between the ruling and opposition parties, and freedom of the press were introduced. Its economic ties with the East were gradually decreased, replaced by trade arrangements with Western countries that required Latvia to achieve a certain level of liberal market economy by the beginning of 2000. This improved the living standards of the Latvian people and facilitated pro-Western public support. Its defense reformation process transformed the Latvian armed forces to a small but capable military. Consequently, within a decade of its independence, Latvia had become a true free democracy with a stable economy and reliable military. These achievements along with the public's support made Latvia sufficiently attractive for NATO and the EU to grant it membership status.

In light of the Latvian process, the center-rightists seem correct in calling for Moldova's following the Latvian way toward European integration. By rejecting its neutrality and announcing its desire to join NATO, Moldova could get NATO assistance and benefit from its expertise in the European integration process. First, considering that the enlargement processes of NATO and the EU are based on the same values and that both organizations would be involved, the integration process would be at least twice as fast. Second, the process of introducing EU-driven reforms would give Moldovan officials an additional source of constructive pressure to quicken the implementation of

those reforms. Third, when NATO is interested in a country it supports not only its armed forces but also every other dimension of its reformation process.[244] With NATO membership Moldova would get a total level of security, thus opening the door to foreign investment. This would ultimately foster a national economy that would be closer to EU standards. Logically, if Latvia, along with most of the Central and Eastern European countries, succeeded by adopting this model of integration, Moldova should have a good chance, too.

This might indeed have been a perfect integration path for Moldova, but unfortunately it is too late. By moving too slowly following its independence when the Russians were weak, the Moldovan governments gave Russia a greater chance to increase its influence over Moldova. Today, when Russia is not as weak as it was at the beginning of the 1990s and has more power to impose its ambitions,[245] the "rules of the game" have changed in Moldova's disfavor. If it gave up its neutral status now, Moldova would probably lose forever any possibility of reintegrating the country, because Russia is determined to make sure that NATO does not move into this part of the continent. Thus, if Moldova abolishes its neutrality, Russia will probably never pull out its troops. Also, during a NATO integration process, Russia could easily put economic pressure on Moldova that would inflict heavy damages on its already weak economy. Because of its great economic dependence on Russia, Moldova should avoid its economic sanctions at least until the economic balance changes. Russian economic pressure would neither provide a decent standard of living for the Moldovan people nor integrate the country into the European institutions. And it is impossible to think that the EU would like Moldova any weaker than it is today.

Therefore, although integrating into both NATO and the EU is the best-case scenario for Moldova, abolishing neutrality and trying to do it now could be fatal for the country. Given these conclusions, the thesis ends in the next section with some policy recommendations.

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[244] Munteanu, "Between Neutrality and Reform: Moldova's Bid towards EU Integration," 2.

[245] Aksel Lebahn, "Russia is Here Again!" *International Affairs* 53, no. 2, (2007): 22-23.

B. RECOMMENDATIONS

Judging from the present research, it is obvious that Moldova's pro-Western vector is essential and irreversible. But while conducting the reforms that will help the country integrate into the EU, Moldova cannot afford the open antagonism with Russia that Latvia had. Political ambiguity is not the worst option[246] and in fact is crucial for Moldova in the near future, especially since Moldova's governments have exercised political ambiguity since it regained its independence from the former USSR. But its political ambiguity must favor the West, and both the EU and NATO must be made aware of the real reasons behind it. Although Moldova's neutrality has not helped it to get rid of Russian troops so far, there is no point in abolishing it in favor of NATO now; doing so would only lead the Russians to claim they have more "moral" reasons in upholding the status-quo. Moreover, this neutral "façade" should be maintained in order to enable the international community to use its legal rights to continuously request that Russian troops be removed from Moldova. Because it is not working today does not mean it will not work in the future when conditions may be different.

Maintaining the current status quo may also give Moldova the time it needs to gradually reorient its economy to the West. Not being fond of Russia does not mean that Moldova does not need their economic markets. However, Moldova needs to quickly distance itself from its economic dependence on Russia. And it must tell the West, preferable in secret, why it must maintain an ambiguous position at present so that the West can trust Chisinau and continue to assist it as it has begun doing. A move to Western markets will eventually improve Moldova's economy and a style of life that will attract Transnistria. While today the difference between the two banks of the Nistru River is relatively small, an eventual economically prosperous Moldova with an EU future may resolve the Transnistrian conflict on its own. Chisinau must not even think about trading its European future in exchange for the country's integration. As the Cyprus problem has

[246] As Bill McSweeney once stated "It may be that, in today's world of political and economic interdependence, ambiguity is the only realistic way of joining self-interest to ethical principle." See Bill McSweeney, "The European Neutrals and the European Community," *Journal of Peace Research* 25, no. 3, (1988): 211.

shown, the balance of powers can change over time,[247] thus Moldova should focus on improving and pay less attention to the conflict. When the time is right, Transnistria will beg for Chisinau central control.

Chisinau leaders should also work closely with the West to implement the necessary reforms and seek greater preference and favors in exchange for its loyalty. As it has demonstrated so far, the EU can gradually help resolve Moldova's problems. Thus, Moldovan leaders should comply with Brussels in every aspect if they do not want to do the same with Moscow. For the time being, Chisinau has little choice; it must accept a more senior hand and for its own sake, it had better choose Brussels.

While doing so, Moldova needs to reassess its defense policies and tacitly prepare for NATO accession in the future. NATO is the only guaranty that the country will be prosperous, since even Russia does not mess with NATO. Chisinau therefore should transform its armed forces and with peaceful intentions get closer to NATO. It should intensify its activity in NATO's Partnership for Peace programs and increase its military capabilities, especially since it has signed an Individual Partnership Action Plan with NATO. It has set all the legal frameworks, now only action is required, especially because NATO seems interested. A closer military partnership with NATO will also attract more attention from the United States, which could be a crucial player if interested. Moldova's participation in Operation Iraqi Freedom in a conflict-reconstruction effort was a good start; now Chisinau needs more interoperability with the United States, which leads NATO. Achieving a small but capable military, as Latvia did, may be enough to achieve NATO membership. Moreover, if Moldova ever gets there, the "gates" to foreign investment will be open forever.

[247] Cyprus example illustrates how separatists can change their mind. Striving to gain independence from Cyprus for decades and not succeeding, the Northern Turkish part of Cyprus considerable worsened its situation in contrast to the Greek internationally recognized South Cyprus. Therefore, in April 2004, at an UN conducted referenda, the Turkish part was 65% in favor of reuniting the island. But then already the Greek Cypriotes overwhelmingly voted against (76%). The continuing conflict has not however obstructed integration of the South Cyprus into the EU; therefore, the secessionists found themselves internationally unrecognized, isolated and poor while looking at their developed and prosperous adversaries. See Kristin Archick, "European Union Enlargement," *CRS Report for Congress* RS 21344, (10 June 2005): 4.

In regard to the EU, the only thing Chisinau should do is execute Brussels' directives. This will change Moldova's political, economic, and social frameworks. What Moldova needs are a pluralistic political system, a liberalized economy, and a Western society. It also needs basic freedoms that meet the EU's standards, including the fourth dimension of a state's power –an unrestricted media. The EU can facilitate these if it sure that there is no way back. Chisinau must assure the EU that its efforts and resources are not wasted but spent wisely. Moreover, the EU reforms will benefit the country even if it is not in the EU, but in thinking about accession into the Union, their implementation is mandatory. Additionally, if Moldova enhanced its military, it would add an additional point of attractiveness to the EU even if Moldova does not join NATO. The EU also needs prepared soldiers for its European Security and Defense Policy.

In sum, this thesis concludes that the best course of action for Moldova is to integrate into the EU in the fastest time and at the lowest cost possible, with a status-quo double political game that should be seriously reoriented toward Brussels while tricking Moscow. Moldova's neutrality should be maintained so that Russia will continue to feel in control, while Moldova uses all means possible to move toward West.

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